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# ***Daily Report***

## **China**

FBIS-CHI-93-123  
Tuesday  
29 June 1993

# Daily Report

## China

FBIS-CHI-93-123

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**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

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## General

### Spokesman Denies Missile Sales to Mideast

OW2906024893 Beijing XINHUA in English 0230  
GMT 29 Jun 93

[Text] Beijing, June 29 (XINHUA)—A Chinese Foreign Ministry spokesman here today denied the alleged Chinese sale of M-9 and M-11 missiles to Pakistan, Syria and Iran.

The spokesman made the denial when asked to comment on reports that "Mr. Clinton's government believes that China has sold M-9 and M-11 missiles to Pakistan, Syria and Iran."

"This is sheer fabrication," the spokesman said. "China has long undertaken to abide by the guidelines and parameters of MTCR [Missile Technology Control Regime]. This position of China's remains unchanged."

### Reportage on Vienna Human Rights Conference

#### Declaration Adopted

OW2606025993 Beijing XINHUA in English 0054  
GMT 26 Jun 93

[Text] Vienna, June 25 (XINHUA)—The U.N. World Conference on Human Rights ended here today with the adoption of a declaration which has outlined principles of major human rights issues and proposed a program of action for the years ahead.

The document, "The Vienna Declaration and Program for Action," was adopted after two weeks of heated debates and intensive consultations among delegates from over 180 U.N. member countries.

During the June 14-25 meeting, the delegates assessed progress that had been made in the fields of human rights since the adoption of the Universal Declaration of Human Rights in 1948.

They also discussed a wide range of issues concerning the international community, including the relationship between human rights and development, between human rights and sovereignty and between human rights and international peace and security.

Because of various historic, economic and social backgrounds, Western countries and developing ones are deeply divided over these issues.

Of the major principles outlined in the document, the conference reaffirms "the solemn commitment of all states to fulfil their obligations to promote universal respect for, and observance and protection of, all human rights and fundamental freedoms."

The document describes the right to development as "a universal and inalienable right and an integral part of fundamental human rights."

The document also recognizes the right of peoples to "take any legitimate action," in accordance with the U.N. Charter, to realize their "inalienable right of self-determination."

It also proposes ways and means to protect the rights of women, children, and the disabled people.

Analysts here described the final document as a product of compromises and cooperation.

Despite the compromises and concessions made by the delegates, developing countries still differ with Western countries on some important issues, such as the appointment of a high commissioner for human rights and the establishment of a human rights court.

Before the meeting was closed, the delegates had seven hours of heated debates with an agreement to put off any decision on the U.N. human rights commissioner and refer the issue to the next session of the U.N. General Assembly.

Closing the meeting, Alois Mock, chairman of the conference, said that within the framework of the final document, considerable progress has been achieved in stressing such matters as the universal character of human rights; human rights as a matter of international concern; interrelationship between democracy, development and human rights, the rights of minorities, the status of women, children and vulnerable groups and the program of action.

#### Further on Declaration

OW2606025793 Beijing XINHUA in English 0207  
GMT 26 Jun 93

[Text] Vienna, June 25 (XINHUA)—The U.N. World Conference on Human Rights ended here today with the adoption of "the Vienna Declaration and Program of Action" which provides an agenda of action for the years ahead.

The document is in two parts: The first part outlines the principles of a wide range of human rights issues of concern to the international community. The second part provides a future program of action in the field of human rights.

On the role of the existing U.N. center for human rights, the document says that the center should assume a larger role in the promotion of human rights.

"The role could be given shape through cooperation with member states and by an enhanced program of advisory services and technical assistance," it says [no closing punctuation as received]

It suggests the existing voluntary funds be expanded substantially for these purposes and be managed in a more efficient and coordinated way.

Referring to the issue of equality, dignity and tolerance, the document says that the Vienna meeting considers the

elimination of racism and racial discrimination, "in particular in their institutionalized forms such as apartheid or resulting from doctrine of racial superiority or exclusivity or contemporary forms and manifestations of racism as a primary objective for the international community and world-wide promotion program in the field of human rights."

The conference urges all governments to take immediate measures and to develop strong policies to prevent and combat all forms and manifestations of racism, xenophobia or related intolerance, the document says.

It calls on all states to take immediate measures to bring ethnic cleansing to an end.

The document stresses the equal status and human rights of women, saying that the conference urges the "full and equal enjoyment by women of all human rights and that this be a priority for governments and for the United Nations." In particular, the document says, the conference stresses the importance of working towards the elimination of violence against women in public and private life, the elimination of all forms of sexual harassment, exploitation and trafficking in women.

The United Nations should encourage the goal of universal ratification by all states of the convention on the elimination of all forms of discrimination against women by the year 2000, it says.

The document reiterates the principles of "first call for children", underlining the importance of major national and international efforts, especially those of the United Nations Children's Fund, for promoting respect for the rights of the children to survival, protection, development and participation.

On cooperation, development and strengthening of human rights, the document says the conference recommends that priority be given to national and international action to promote democracy, development and human rights. It strongly recommends that "a comprehensive program be established within the United Nations" in order to hold states in the task of building and strengthening adequate national structures which "have a direct impact on the overall observance of human rights and the maintenance of the rule of law."

Referring to the right to development, the document reaffirms that the universal and inalienable right to development, as established in the declaration on the right to development, must be implemented and realized.

It urges the working group on the right to development to promptly formulate comprehensive and effective measures to eliminate obstacles to the implementation and realization of the declaration on the right to development and recommend "ways and means towards the realization of the right to development by all states."

On the implementation and monitoring methods, the document says the Vienna meeting recommends the

strengthening of U.N. activities and programs to meet requests for assistance by states which want to establish or strengthen their own national institutions for the protection of human rights.

It appeals to states which have not acceded to the Geneva Conventions of 1949 and the protocols and to take all appropriate national measures for their full implementation.

### Conference Concludes

*OW2606025293 Beijing XINHUA in English 0215  
GMT 26 Jun 93*

[("Roundup: Vienna Meeting Ends With Compromise and Cooperation")]

[Text] Vienna, June 25 (XINHUA)—The United Nations World Conference on Human Rights ended here today with "The Vienna Declaration and Program of Action" which outlines the principles of major human rights issues and proposes an agenda for the years ahead.

The Vienna meeting, the first such since the Tehran meeting in 1968, was convened on the occasion of the 45th anniversary of the Universal Declaration of Human Rights. It was considered a noteworthy event in the international community today.

At the June 14-25 meeting, delegates from over 180 U.N. member countries and international organizations have assessed the progress that has been made in the field of human rights since the adoption of the universal declaration in 1948.

They also examined the relationship of human rights to development, internal affairs of states, and international peace and security.

However, different understandings of the concept of human rights and disagreements on the principles of the major issues provoked heated debates, in particular between delegates from Western and developing countries.

On the relation between human rights and development, Western countries insisted that the rights be a precondition for the second. They had to be promoted before development.

Some Western countries even denied the right of development as part of human rights.

But the delegates from developing countries said that for them, to respect and protect human rights was first and foremost to ensure the full realization of the rights of subsistence and development.

Because of unjust and unreasonable practices in the world economic order, they said, many developing countries found themselves in great difficulties and impoverishment. Over one billion people in the world are still living below the poverty line, suffering from starvation and disease.

They said that without doubt, these were the obstacles to the realization of universal human rights.

Therefore, they demanded that attention first be given to the right of development.

On the relation between human rights and internal affairs of states, Western countries said that the human rights question went beyond boundaries and the principle of non-interference in the internal affairs of other states was not applicable to it.

But the developing countries said that if the sovereignty of a state was not guarded, a guarantee of human rights for its citizens was out of the question.

On the relation between human rights and international peace and security, the developed nations demanded the establishment of an international human rights tribunal to "judge human rights violations" in individual countries.

However, many developing countries said that the international community should give its primary attention to the massive and gross violations of human rights resulting from aggression and occupation and continue to support those people still facing foreign invasion, colonial rule or apartheid system in their just struggle for national self-determination.

During the course of formulating the document, some Western countries adopted dominant and threatening attitudes towards those who disagreed with them and exerted pressure on developing countries.

Furthermore, one country and some non-governmental organizations even fostered rumors in an attempt to provoke confrontations during the process of the meeting.

However, developing countries took a more flexible and cooperative attitude, which paved the way for the adoption of the document, and made valuable contributions to the formulation of it.

After two weeks of strong debates and intensive consultations, the Vienna meeting adopted the final declaration, a product of compromise and cooperation.

The document reaffirmed the solemn commitment of all states to fulfill their obligations to promote universal respect for, and observance and protection of, all human rights and fundamental freedoms of all people in accordance with the U.N. Charter.

It described the right of development as "a universal and inalienable right and an integral part of fundamental human rights," underlining that all people have the right to self-determination.

The document also proposed ways and means to protect the rights of women, children, the disabled, and indigenous peoples.

But there are still deep differences between developing countries and Western nations over some major issues, such as the attachment of conditions to economic assistance and creation of new human rights mechanisms.

Though the Vienna declaration is a product of both compromise and cooperation, it is expected to have a positive impact on the promotion and protection of human rights in the years to come.

### Commentary on Proceedings

*OW2606152993 Beijing XINHUA Domestic Service in Chinese 1230 GMT 26 Jun 93*

[“Commentary” by XINHUA reporters Zhang Zheng-dong (1728 1767 2639) and Chen Hegao (7115 7729 7559): “Vienna Human Rights Conference”]

[Text] Vienna, 25 Jun (XINHUA)— The 12-day UN World Conference on Human Rights ended with the adoption of the “Vienna Declaration and Program for Action.” There was a fierce battle in and out of the conference hall, but the principle that the promotion and protection of human rights as well as rights to development are part of basic human rights was confirmed by the conference.

While reiterating that all nations must respect and protect human rights in accordance with the UN Charter and other international documents and laws relevant to human rights, the “declaration” stresses that rights to development must be implemented and realized. It calls on the international community to do all that it can to reduce the debt burden of developing nations and to take immediate steps to alleviate, and eventually eliminate, poverty.

The “declaration” calls on the international community to work toward quick and complete elimination of racism, racial discrimination, and apartheid; to prevent and crack down on terrorism; and to protect the rights and interests of such social groups as women, children, aborigines, the disabled, refugees, and immigrant workers—all of whom are easy targets of violations.

The principles enshrined in the “declaration” will form the basis for activities in the realm of international human rights for some time to come.

The “declaration” is a product of compromises; it is also an outcome of struggle. There were indeed different understandings—even marked disparities—on the question of human rights. Over the past two weeks, some Western and developing nations each expressed their views and engaged in a fierce battle of words over matters of principle, especially the relationship between human rights and rights to development; between human rights and sovereignty; and between human rights and international peace and security. For a time, the drafting of the “declaration” was paralyzed. A handful of Western nations took a rigid stand. During the course of the conference, several countries and

nongovernment organizations even spread rumors to provoke confrontations and hurled abuse at some developing nations with a view to leading the conference astray. In sharp contrast to this, developing nations took the interests of the whole into account and displayed praiseworthy flexibility and cooperation in negotiations on drafting the "declaration," thereby making valuable contributions to the adoption of the final document.

On some issues of principle—such as the attachment of conditions to economic assistance, the linkage of human rights to UN Security Council peacekeeping operations, and the creation of interference mechanisms over human rights—the gaps were so great between the parties concerned that they could not be settled at this conference. Even on the eve of the conference's closing, delegates of Western and developing nations were holding emergency negotiations over the appointment of a UN high commissioner for human rights. Unable to reach an agreement, the two sides decided to refer the issue to the next session of the UN General Assembly.

The pursuit of human rights is a long-standing ideal and goal of mankind. Forty-five years have passed since the adoption of the "Universal Declaration of Human Rights"; more than 20 years have passed since the last world human rights conference and the "Tehran Declaration" that it adopted. Considerable progress has been made in the realm of international human rights, but many problems remain to be solved by the common efforts of the international community and the nations of the world.

#### Commentary Assesses Conference

HK2806070093 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 28 Jun 93 p 6

[“Commentary” by staff reporters Li Yunfei (2621 0061 7378) and Huang Qixiang (7806 0366 4382): “An Important Meeting in the Human Rights Field”]

[Text] Vienna, 26 Jun (RENMIN RIBAO)—The UN World Conference on Human Rights was concluded after it adopted the "Vienna Declaration and Program of Action." This was another important conference held by the international community in the 25 years since the 1968 Tehran conference to review the past and to look to the future of human rights issues from an international perspective.

During the meeting, the representatives fully and frankly discussed relevant issues in the field of human rights and held frequent conscientious talks. In particular, representatives from the developing countries expressed their opinions and ensured that the document expressed the wishes and demands of the developing countries on some issues.

The document points out: "The World Conference on Human Rights reiterates that the right to development specified by the 'Declaration on the Right to Development' is a universal and inalienable right as well as a

component of basic human rights." For quite some time, the developing countries have consistently maintained that the right to development should be included in human rights. This idea enriches the theory and practice of human rights and raises it to a new level. The concept of human rights should include the right to development, which is an inalienable right. This is the strongest voice aired by the World Conference on Human Rights. The main obstacle to the developing countries' economic development is the unreasonable international economic order. Therefore, the document calls on the international community to make efforts and take measures to improve the external economic environment for the developing countries so that these countries can eliminate poverty at an earlier date, can effect economic and social development, and can enable their people to fully enjoy their economic, social, and cultural rights. While affirming the universality of human rights, the document reiterates the "importance of national and regional characteristics and various historical, documentary, and religious backgrounds." The developing countries consistently maintain that human rights not only have universality but also particularity; one must not only stress the universality and neglect the particularity. The document gives expression to this viewpoint of the developing countries and affirms an important principle for international human rights activities.

The document also points out: "One of the international community's priority tasks is to rapidly and completely eliminate all forms of racism, racial discrimination, xenophobia, and intolerance." It also expresses concern about and condemns the attempt to use violence to undermine the termination of racial segregation. As people know, the end of the "cold war" between the East and the West did not bring peace and tranquillity to the world. The phenomenon of large-scale violations of human rights caused by foreign aggression and occupation and by regional conflicts still exists to a serious degree. Therefore, the international community should first pay attention to and continue to support the just struggle of the people under foreign occupation, colonial rule, and racial segregation for their national self-determination.

The document expresses special concern over the protection of the rights of the human groups apt to be harmed, including women, children, handicapped people, and refugees, as well as ethnic, religious, and linguistic minorities. The document also sets forth many concrete objectives and action plans. This will certainly greatly promote the human rights enjoyed by the vulnerable groups.

During the conference, some Western countries tried hard to establish an office of senior commissioner on human rights outside the existing UN human rights activity organ. This proposal evoked fierce debates. Most countries maintained that it is better to comprehensively study options for improving the existing institution rather than to establish another new institution.

No reckless action should be taken on such a controversial and complicated issue; instead, it is necessary to hold comprehensive consultations and give a matter full consideration before any decision is made. The final document proposes that the issue be considered at the next UN General Assembly.

Admittedly, the representatives of a small number of Western countries played the same old tricks and tried to impose their narrow-minded human rights viewpoint on other nations. They took many actions inside and outside the meeting place and even deliberately sowed discord among various countries and launched unfounded attacks on other countries. However, their activities were boycotted and opposed by most countries and had little effect. They only invited a snub.

During the meeting, the Chinese delegation joined most countries in adhering to the basic principles on the human rights issues, safeguarded the deserved rights of the developing countries, and made contributions to the positive results achieved by the conference. So, China received favorable comments from most countries' representatives at the meeting.

#### Commentator Urges Cooperation

HK2906091893 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 29 Jun 93 pp 1, 3

[Commentator's article: "Strengthen International Cooperation in the Field of Human Rights, Promote Common Development and the Progress of Mankind"]

[Text] The World Human Rights Conference, which has drawn world attention, closed in Vienna on 25 June. During the two-week conference, representatives from more than 160 countries on five continents clarified their stands and proposals on the human rights issue, held extensive and profound discussions on future cooperation in the human rights field, and adopted the Vienna Declaration and Program of Action on this basis. This conference was another important, high-level human rights meeting of the United Nations, like the 1968 Tehran international human rights conference. It has added an important chapter to world human rights activities.

To make this conference a success, the relevant UN organization held four preparatory meetings, and three preparatory meetings were also held in Africa, Latin America, and Asia, during which the Tunis Declaration, the Pact of San Jose, and the Bangkok Declaration were adopted. At these meetings, representatives from developing countries sharply criticized abnormal human rights situations holding over from the previous East-West cold war. They proposed that the conference should aim at promoting cooperation in international human rights as well as harmony, understanding, and mutual respect between member countries; should fully portray the human rights understanding of countries under different political, economic, and social systems and with different religious and cultural backgrounds;

and should, on the basis of respecting the principles and purpose of the UN Charter, seek common ground while retaining differences, strengthen cooperation, and make contributions to enabling the people of all countries to fully enjoy human rights.

On the basis of reviewing the establishment of the United Nations, particularly the work in international human rights since the Tehran conference, the current conference fully confirmed UN achievements in stopping large-scale violations of human rights resulting from colonialism, racism, and foreign invasions and occupation; in clarifying that the right to development is part of human rights which allows no deprivation; in protecting the rights of those liable to infringements, including women, children, and the disabled; in formulating international human rights documents; and in promoting the universal materialization of human rights. During their speeches, representatives from many developing countries expressed strong dissatisfaction over the wrong practices of some countries in imposing their value concepts on others, in politicizing the human rights issue, in exerting political and economic pressures on others, in using the human rights issue to interfere in the internal affairs of developing countries, and in adopting double standards. They demanded the elimination of the unfavorable influence of hegemony and power politics on international human rights activities.

The declaration adopted by this conference has reached a certain consensus on how the international community should promote and protect human rights and basic freedoms. The detailed tasks and action program proposed by the declaration have laid a foundation for all countries to carry out international cooperation in jointly fulfilling the target of protecting human rights and basic freedoms set by the UN Charter. The declaration portrays some of the general understanding and common views of different countries on the human rights issue and also embraces different views of different countries on the human rights issue. The positive aspect of the declaration lies in giving expression to the strong concern of developing countries over the human rights issue. While acknowledging the generality of human rights, the declaration demands consideration for the characteristics of different countries and regions in the activities of protecting human rights and basic freedoms. The declaration points out: All kinds of human rights are related to each other, are inseparable, and should be equally respected; and poverty and foreign debts are serious obstacles to human rights entitlements. It reconfirms that the right to development is a human right which allows no deprivation. This is the strongest appeal made at this conference. Subsequent to the Universal Declaration of Human Rights, the Proclamation of Tehran, and the human rights declarations of the three regions, the declaration adopted by the current conference will occupy a certain position in the international human rights field. Of course, this declaration is a product of mutual cooperation and compromise between different parties. It also embraces some Western countries' understanding and propositions on human rights.

Developing countries are not quite satisfied with this, but taking into account the overall situation, they demonstrated their precious flexibility and cooperative spirit during consultations and negotiations, and they made valuable contributions to compiling this final document.

However, a small number of Western countries wanted to utilize the conference to promote their views on human rights and to legitimize and institutionalize their interference on the human rights problem. They held a rigid stand on some major problems, they were arrogant, and they tried hard to impose their own views on others from the beginning, stopped others from having a different voice, and wantonly condemned some developing countries and exerted pressure on them, thus creating an antagonistic atmosphere and many difficulties which hindered the smooth progress of the conference and the discussion of a final document. A small number of Western countries even tried hard to control and manipulate some so-called "human rights organizations" to drum up support inside and outside the conference, to create rumors and slander others, and to interrupt and undermine the normal process of the conference. But these actions eventually failed to win popular support, and many developing countries did not yield to this kind of high-handed manner but rather firmly resisted and opposed it in order to save the conference from going down the wrong road. Those few Western countries failed to completely materialize their intentions. During the conference, some Western countries advocated the establishment of a UN human rights high commissioner and an international human rights court, which caused different reactions at the conference. A majority of countries thought that establishing new organs is not as good as seeking ways to improve the currently existing UN human rights organizations, and that concerning these complicated and controversial problems, there should be adequate discussions, not hasty actions, and the matter should not be decided by only a few countries. The conference finally decided to leave the issue of a UN human rights high commissioner to the next General Assembly for discussion, and the issue of a human rights court to the UN International Law Commission for further deliberation.

At this World Human Rights Conference, the representative of the Chinese Government thoroughly explained China's basic position on the human rights problem and actively participated in various aspects of the conference, making contributions to the drafting of the declaration of the conference and to the success of the conference.

The Chinese Government has always respected the purpose of promoting and protecting human rights stipulated in the UN Charter, and it has done a great deal of work in realizing that purpose. When taking part in the activities organized by UN human rights organizations, China has safeguarded, developed, and enriched the concept and theory of human rights, actively participated in drafting human rights documents for the UN, and signed eight important international human rights

treaties in a relatively short period of time. China has tried hard to stop large-scale wanton violations of human rights, and it has resisted hegemony in the domain of human rights and has promoted normal international cooperation. China's important contributions to the protection and promotion of human rights in the international community have been spoken of highly by developing countries.

China's position and viewpoint on human rights are clear and firm. We hold that the concept of human rights is an integral concept which includes individual rights and collective rights. In individual rights, the concept includes citizens' rights and political rights on the one hand, and economic, social, and cultural rights on the other. Various aspects of human rights are mutually dependent and equally important, and are inseparable and indispensable to one another. The concept of human rights is an outcome of historical development and is related to certain social, political, and economic conditions, and it is linked closely to the unique history, culture, and views of a particular country. The countries that are at different stages of development or that have different historical traditions and cultural backgrounds will differ in the understanding and practice of human rights. Any country has the right to choose its own political system, road of development, and values at its own discretion, and other countries have no right to interfere. Attacking other countries for no reason and imposing a country's or region's own human rights standard on other countries is a violation of the sovereignty of other countries and interference in the internal affairs of other countries. The advocacy and behavior which hold that "human rights have no international boundary" and "the principle of noninterference in internal affairs does not apply to the human rights problem" are a manifestation of power politics, which violate the purpose and principle of the UN Charter on the one hand and which contradict the lofty undertaking of the protection of human rights on the other.

Over the past 45 years, from the Universal Declaration of Human Rights in 1948 to the Vienna Declaration and Program of Action adopted at this World Human Rights Conference, international human rights activities have walked a rough and twisted road. The conference has scored some important and positive results, and witnessed some clear limitations and negative contents. The struggle in the area of human rights between the broad masses of developing countries and a small number of Western countries will be a long one. But history develops anyway. The viewpoint and advocacy on the human rights problem held by the broad masses of developing countries will receive more attention in the international forum. In the future, together with the international community, and especially with the broad masses of developing countries, the Chinese Government will, as it has always done, work hard to strengthen international cooperation in the area of human rights and thoroughly promote the activities of protecting and promoting human rights in the international community.

**Commentary on 'Obstacles'**

HK2906100093 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No 26, 28 Jun 93 p 27

[“International commentary” by Chen Hegao (7115 7729 7559): “Remove Obstacles to the Realization of Basic Human Rights”]

[Text] During the UN World Human Rights Conference recently held in Vienna, representatives from the vast number of developing countries elaborated on their basic stand on the human rights issue and strongly urged the international community to take feasible measures to remove all obstacles to the realization of human rights and thus promote full human rights and rudimentary freedom among people of all nations.

The human rights issue, with a bearing on the basic rights and immediate well-being of all people, has drawn the common concern and great attention of the international community. Since the adoption of the Universal Declaration on Human Rights in 1948, the people of all nations have made many achievements in safeguarding and promoting human rights through an extremely arduous struggle.

Nevertheless, people of all nations still are facing difficulties and challenges in the international struggle for human rights. Nowadays the world is entering a transitional period when a new world power pattern is replacing the old one, and the world is not free of turbulence. While colonialism, racism, apartheid, occupation by foreign forces, and the dreadful consequences caused thereby have yet to be thoroughly removed, people under foreign occupation and apartheid still cannot fully enjoy the most rudimentary human rights and freedoms. In those new hot spots, local wars and armed clashes have severely threatened people's lives, and many people are homeless or are refugees in exile. The gap between the South and the North is widening daily, seriously hindering developing countries' economic development. Power politics, hegemony, and interference in other countries' internal affairs under the pretext of human rights have caused instability in some countries and areas. All these are enormous obstacles to human rights and rudimentary freedom among people of all nations.

In the face of all these serious challenges, the vast number of developing countries at the Vienna conference made the just appeal for “removing major obstacles and realizing rudimentary human rights.”

For the vast number of developing countries, respecting and safeguarding human rights first of all means to ensure that their own peoples will fully enjoy the right to subsistence and the right to development as the most rudimentary human rights. However, because of the unreasonable international economic order, the gap between the impoverished South and the rich North is widening. Many developing countries are facing aggravating economic difficulties, while more than 1 billion

people in the world are still living under the poverty line, suffering from starvation, diseases, and scarcity.

Twenty years ago 25 countries were counted as the most underdeveloped countries, but now there are 47. The nearly 400 million poor people living in sub-Saharan Africa are sharing a GNP [gross national product] equal to that of Belgium with a population less than 10 million. The total amount of debts that countries of the South owe the North exceeds \$1.5 trillion. The widening gap between the South and the North has become the greatest obstacle to the realization of the right to subsistence and the right to development among the vast number of developing countries.

Mauritanian Prime Minister Sidi Mohamed Ould Boubaker, when taking the floor at the conference, pointed out: To developing countries, the current struggle for human rights is a struggle for the right to subsistence and the right to development; and the action guideline for the international community in the coming years should be to remove obstacles to the economic and social progress of developing countries.

Singapore Foreign Minister Wong Kan Seng emphasized: Economic development is the basis for the promotion of human rights, while poverty is a phenomenon that opposes the most rudimentary human rights. Many developing countries hope that developed countries will adopt feasible measures regarding debt payment, funds, trade, aid, and technological transfer, with a view to narrowing the gap between the South and the North, promoting economic development of developing countries, and assisting the peoples of developing countries to realize human rights and rudimentary freedom.

In the effort to promote rudimentary human rights, it is necessary to ensure that every country can exercise its right to formulate policies for the protection of human rights in accordance with its own national conditions. No country should apply its own value, human rights concepts, and human rights theories to other countries' internal affairs and make unscrupulous criticism, nor should it exert political and economic pressure on other countries under the pretext of human rights. It is regrettable that some Western countries have always tried to force their political systems and value concepts on others, disregarding the latter's different political, economic, and cultural background. They always criticize, in one way or another, countries which refuse to yield to pressure, and they have even made use of the human rights issue to achieve a certain political purpose and upset social stability in some developing countries, thus depriving developing countries of a fine environment to enhance rudimentary human rights. In this connection, at the World Human Rights Conference many developing countries denounced Western countries for interfering in others' internal affairs under the pretext of human rights. They solemnly refuted Western countries' views that “human rights have no national boundaries” and that “the principle of noninterference in each other's internal affairs does not apply to the field of human

rights," and they demanded that the international community remove this other major obstacle to the realization of human rights.

Indonesian Foreign Minister Ali Abdullah Alatas said: The human rights issue can only be discussed on the basis of respect for national sovereignty, and no country should make use of the so-called human rights issue to make unjustified reproaches or to preach to others. Bangladeshi Foreign Minister A.S.M. Mustafizur Rahman noted: As far as the international human rights issue is concerned, any attempt to force one's own human rights concept on others will only have a negative influence on the universal enforcement of human rights.

Addressing the conference, Laotian Deputy Foreign Minister Souban Salithilat said: The act of interfering in other countries' internal affairs under the pretext of human rights must be stopped.

During this recent human rights conference, another issue that particularly drew the attention of the vast number of developing countries was the massive and brutal violation of human rights as a result of foreign aggression and occupation and the trampling of the people's rudimentary human rights under colonial rule and apartheid. The developing countries hope that the international community will give preference to this issue and will make efforts to eliminate the phenomenon of the massive violation of human rights caused by regional conflicts. Taking the floor at the conference, representatives of developing countries pointed out: It is necessary to find a way to stop all kinds of massive or severe violations of human rights resulting from foreign aggression and occupation, colonial rule, and apartheid. On the other hand, the application by some Western countries of double standards to the human rights issue has encouraged or caused massive violations of human rights that should also draw the attention of the whole international community. If these two issues are not resolved, it will be out of the question for the people suffering from foreign aggression and occupation, colonial rule, and apartheid to enjoy rudimentary human rights.

PLO Chairman Yasir Arafat pointed out at the human rights conference: Certain countries' applying double standards to the human rights field has not only widely and greatly impaired human rights but has affected the validity of the existing human rights mechanism. To cite an example, he said: The trampling of the human rights of the Palestinian and Arab people in the occupied territories is the direct consequence of Israeli aggression and occupation, and this could not happen without the United States and other Western countries' support for Israel. The peoples of the vast number of developing countries hope that the people under foreign aggression and occupation, colonial rule, and the racist system will win their right to self-determination so that they can strive together with other independent nations to fulfill the lofty goal to fully enjoy human rights and rudimentary freedom.

The Vienna conference, held on the 45th anniversary of the publication of the Universal Declaration of Human Rights, is of great significance. It is hoped that this conference will lead to an early removal of the major obstacles which hinder the peoples of all nations from enjoying rudimentary human rights, and that the lofty ideal of extensive and full human rights and rudimentary freedom for mankind will be fulfilled as soon as possible!

#### **'Special Commentary' Refutes 'China Threat'**

*OW2706063293 Shanghai JIEFANG RIBAO in Chinese 3 Jun 93 p 4*

[JIEFANG RIBAO special commentary by Chen Guoqing (7115 0948 3237), information counsellor for the PRC Embassy in the United States: "On the Myth of the 'China Threat'—by Chen Guoqing, information counselor at the PRC Embassy in the United States"]

[Text] The cold war is a thing of the past. Mankind is now facing a historic opportunity to build the world into an even better place. Peace and development have become urgent tasks for our world community. China is no exception. Under the guidance of the reform and opening policy, China is marching courageously toward its goal—modernization.

Everyone knows that one of China's modernization objectives is to build a stronger national defense. We firmly believe that a strong and stable China will be conducive to prosperity and stability in Asia, and even the whole world, rather than constituting a threat to any country. Unfortunately, however, the many reports which the U.S. media recently carried about China's military buildup have greatly exaggerated the so-called "China threat."

One report claims: "One important objective of China's modernization is attempting to project its military strength outside the country." It asserts: "China's purchases of weaponry from Russia and other countries will tip the balance of power in Asia and will trigger an arms race in the Asia-Pacific region."

This claim is untenable. Facts speak louder than words. China's annual military expenditures are the lowest among the larger countries, and they are still quite low even when compared with those of other developing countries. Military spending by the United States in 1992 alone was equal that of China's military expenditures for the last 40 years. Moreover, China's military spending has been declining. It accounted for 2.2 percent of GNP [gross national product] in 1985, 1.6 percent in 1992, and only 1.5 percent in 1993. China's per capita military spending today is only \$6, whereas it is \$1,100 in the United States and \$300 in Japan. Furthermore, China's weaponry has been maintained at a minimum level for its defense needs. Over the past several years, China has unilaterally reduced its armed forces by 1 million troops and has used some military equipment and facilities to produce civilian goods, or to produce both military and civilian goods.

These facts show that China's military budget, both in terms of absolute value and per capita value, is among the lowest in the world. China neither has the intention, nor the ability, to purchase large amounts of weapons. China's purchases of weapons from other countries are to meet its defense needs. The small amount of weapons that China purchased is for the purpose of replacing certain long-obsolete defensive weapons. The claim that China has plans to purchase an aircraft carrier is strictly conjecture. China has never participated in any arms race, nor will it do so in the future, let alone "trigger a military arms race in the Asia-Pacific Region."

Another report claims that China might "try to fill the military vaccuum in the Pacific region created by the disintegration of the Soviet Union and the removal of U.S. military bases from the Philippines." This cannot be farther from the truth.

Following the disintegration of the Soviet Union and the conclusion of the confrontation between the two large military blocs—NATO and the Warsaw Pact—the United States, realizing that dramatic changes have taken place in the security environment, has maintained a viable military existence in East Asia. Meanwhile, Russia not only still possesses a mammoth nuclear arsenal but it also maintains a striking strength in Northeast Asia. Under such circumstances, the so-called "vacuum" simply does not exist.

China always follows an independent foreign policy of peace. China has never stationed a single soldier in any area outside its territory, nor has it ever built any military base in a foreign country. The Five Principles of Peaceful Coexistence which China and its neighboring countries initiated have increasingly become principles guiding international relations. On the basis of these principles, China has established diplomatic relations with 155 countries and has settled historical border issues as well as issues of dual nationality with Mongolia, Nepal, Burma, Pakistan, Afghanistan, and Indonesia. When Chinese Foreign Affairs Minister Qian Qichen was visiting ASEAN countries in July 1992, he solemnly reiterated: China will not seek hegemony or a sphere of influence in this region. We support ASEAN's proposal for building a peaceful, free, neutral, and nuclear-free zone in Southeast Asia. We are willing to carry out extensive and close cooperation with ASEAN countries in order to maintain this region's peace and stability.

Another report says: "China constantly threatens to take over Taiwan by force, and this has prompted Taiwan to purchase sophisticated jet fighters." Let us take a look at the statement which Chinese President Jiang Zemin made during an interview in early March with Zuckerman, editor in chief of U.S. NEWS & WORLD REPORT. President Jiang Zemin said: "We stand for an early reunification by peaceful means. But we refuse to make a commitment not to use force. This is by no means directed against the people of Taiwan but is aimed mainly at the proponents of 'Taiwanese independence' and interference by foreign forces. In the event of

'Taiwanese independence' or the division of China by foreign forces, we will never sit by idly [zuo shi 0976 6018]. Instead, we will take decisive measures [duan ran cuo shi 2451 3544 2238 2457] to firmly safeguard state sovereignty and territorial integrity, and to preserve the fundamental interests of the entire Chinese nation, including the 20 million Taiwan compatriots." I think that this statement fully reflects the Chinese Government's consistent stand on the issue of Taiwan. As long as the Taiwan authorities uphold the "one China" policy, they do not have to worry about which way will be eventually used to achieve China's reunification.

China is a developing country. Even though it has the largest market in the world and it has limitless potential for economic development, it is not a superpower in any sense. While market-oriented reforms in the last decade or so have indeed created world-renowned economic prosperity in China, China still has a long way to go before it can become a modern country. China will not, and cannot, constitute a "threat" to other countries. On the contrary, after China achieves stronger overall national strength, it will work hard with other countries to do a better job of promoting world peace and development.

I hope that those people creating the myth of the "China threat" will not be obsessed with making subjective speculations or unsubstantiated inferences. Respecting history and realities should be a norm followed by the media.

#### Article on Application for Reentry Into GATT

*HK2506150293 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 24 Jun 93 p 6*

[First of an unidentified number of installments of a "RENMIN RIBAO special article" by Su Jingxiang (1372 2529 4382): "Background and Prospects for China's Application To 'Reenter GATT'"]

[Text] On 14 July, the Chinese Government filed a formal application to restore its status as a GATT signatory. China made this decision against a profound background of international involvement.

In 1978, the Chinese Government made a historic decision to carry out economic restructuring and began to establish relations with Western countries, including the United States, and with major international economic institutions, including GATT. In 1979, China and the United States normalized their relations and signed trade agreements; in 1980, China restored its membership in the International Monetary Fund and the World Bank as well as its legitimate seat on the "Provisional Commission of the UN International Trade Organization"; in 1981, China attended the meeting held by GATT on reviving [hui fu 1863 1788] the "Multifiber Arrangement" as an observer; and in 1984, China became a permanent observer on the GATT council and its subsidiary bodies.

China's rapid economic growth and its great economic potential prompted Western countries to consider admitting China into the GATT system. Since China was admitted to the IMF and the World Bank, it has done a great deal for these two bodies, in particular making outstanding contributions to improving relations between developing and developed countries. Alden W. Clausen, former president of the World Bank; Jacques de Larosiere, former managing director of the IMF; and Arthur Dunkel, director general of GATT, have all urged China to join GATT. In 1984 and 1984, Dunkel sent his legal adviser Arthur Landon [a ke lin deng 7093 0344 2651 4098] to China, who explained in detail the problems involved in joining GATT.

Why did China decide to reenter GATT? In the 1980's, China's trade volume with various signatory states to GATT accounted for 90 percent of its total volume of foreign trade. The rapid growth in foreign trade made it necessary for China to reenter GATT to facilitate the establishment of stable trade relations with various GATT signatory states.

In the 1980's, the United States introduced further protectionism. In 1984, President Reagan approved a new trade bill. In 1985, the U.S. Congress put forward a "Jenkins [zhan jin si 6124 6855 2448] proposal," which was designed to restrict imports of textiles to the United States. All these moves naturally aroused the attention of China, a principal country exporting textiles to the United States. If China is "admitted to GATT," it will be in a better position to resist the growing protectionism of the developed countries. Since 1980, among the major developed Western countries, only the United States has consistently refused to accord China unconditional MFN [most-favored-nation] and GSP (generalized system of preferences) [pu bian you hui zhi 2528 6664 0327 1920 0455] treatment. According to GATT, the signatory states must accord one another unconditional MFN treatment, and the developed signatory states must grant GSP treatment to developing signatory states. If China is "admitted to GATT," China will have every reason to ask the United States for these two treatments.

As GATT's "Uruguay Round" talks are under way and because the legal framework that these talks will formulate will affect international trade in the 21st century, it will be detrimental to China's future economic and trade development if China continues to remain aloof from GATT. Again, there has been a sharp increase in the number of trade disputes between China and its principal trading partners since the 1980's, and China has been discriminated against on many occasions. If China is "admitted to GATT," it will become a member of GATT's arbitration system and will thus avoid receiving unfair treatment. (to be continued)

## Part Two

HK2806070893 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 25 Jun 93 p 6

[Second and last installment of "RENMIN RIBAO special article" by Su Jingxian (1372 2529 4382): "Background to and Prospects for China's Application To 'Reenter GATT'"]

[Text] Will China restore its status as a signatory state to GATT?

Over the last few years, there has been a new and complicated change in the international situation. This presented more problems for consideration on the part of developed Western countries in deliberating China's application for reentry into GATT, with the result that they set more demands on China. With China's unremitting efforts and with great support from the large numbers of developing countries, China will eventually reenter GATT despite many obstacles.

For the Chinese side, it has also acquired a better understanding of the issue and has assessed it more profoundly. The reform and opening up over the last decade and more has injected new life into China's foreign trade, and the proportion of its foreign trade in its GNP (gross national product) has increased from 9.9 percent in 1978 to 37 percent in 1991 and even to 38.1 percent in 1992 (with exports accounting for 19.5 percent and imports 18.6 percent). Foreign trade played the most important role in China's economic growth. It is more important for China to reenter GATT now than in 1986. For this reason, Premier Li Peng placed the issue high on the agenda in his government work report delivered at the National People's Congress held last March.

China is working hard to reform its management system for foreign trade and to resolve disputes with its trading partners. It has resolved to act according to international norms. In January 1991, China announced that it would suspend direct export subsidies; in October 1992, China and the United States signed the "memorandum of understanding on market access" and the "memorandum of understanding on intellectual property rights," in which China promised to improve its import policy greatly and to provide better protection for U.S. inventors' patent rights and writers' copyrights; and China also published its trade regulations, which were unknown to the outside world before that, so as to increase the transparency of its trade policies. In 1992, China settled the long-standing problems concerning its diplomatic and commercial relations with the ROK, Israel, and South Africa. Through all these efforts China has created the necessary conditions for reentering GATT.

As far as Western countries are concerned, the U.S. Government has consistently expressed support for China's effort to reenter GATT despite differences on many issues between the two countries. The Clinton administration has treated trade problems as matters related to national security, while the great market potential displayed by China is of great importance to the United States in its efforts to solve pressing trade problems. Again, the accelerated economic regionalization and grouping worldwide over the last few years has led to the disintegration of the old international trade pattern. Under these circumstances, Western countries

hope that China will play its own role under GATT so as to build a new international trading system.

China's reentry into GATT is not only of great significance to its economic development, reform, and opening up but also will have a great impact on the international economy.

China is a rising trade power. In 1992, China's total foreign trade volume topped \$166 billion, rising to the 11th place in the world. Thus, if it is admitted to GATT, China will contribute greatly to the common effort to strengthen the multilateral trade system and to curb all sorts of trade protectionism.

#### **U.S. on Russian Rocket Engine Sales to India**

*OW2606051293 Beijing XINHUA in English 0350  
GMT 26 Jun 93*

[Text] Washington, June 25 (XINHUA)—The United States imposed sanctions against Russian Government enterprises for their rocket engine sales to India, but the actual penalties were on hold pending further talks between Washington and Moscow, the State Department said today.

"There had been new sanctions imposed and waived" and "the issues under discussion involve the Missile Technology Control Regime (MTCR) guidelines and its annexes," State Department spokesman Michael McCurry told a regular briefing.

According to U.S. law, sanctions will be imposed on a company once the company is confirmed to have violated the MTCR guidelines.

The sanction, however, could be waived by the President.

Russia is not a signatory to the Missile Technology Control Regime but it has agreed to adhere to terms of the accord.

Washington has been pressuring Russia to cancel or amend a May 1992 transaction of sales of rocket engines and missile production technology to India, but to no avail so far.

The deadlock prompted the postponement of a scheduled visit this week by Russian Prime Minister Viktor S. Chernomyrdin for discussions with U.S. Vice President Al Gore on energy and space cooperation.

McCurry said talks on the issue would continue but a compromise seemed a little bit distant.

Russia and India signed a 400 million U.S. dollar contract on missiles and space cooperation. Russian President Boris Yeltsin told the Indians earlier this year during a visit to New Delhi that Moscow would go ahead with the deal.

"When two great countries, in this case India and Russia, sign an agreement, it is not businesslike or proper to breach that agreement," Yeltsin said.

"No third party can interfere with its fulfillment," he said.

The Russian INTERFAX news agency said in its report [24 June] Thursday of the Chernomyrdin trip postponement that "canceling the part of the transaction to which the United States objects would mean Russian subordination to America on space cooperation with third countries."

While India insists that the transaction with Russia aims at launching a new generation of weather and communications satellites, Washington said the technology could be used for missiles.

#### **Report on OAU Annual Summit Opening in Cairo**

*OW2806133393 Beijing XINHUA in English 1232  
GMT 28 Jun 93*

[By Zhu Yunlong and Li Ying]

[Text] Cairo, June 28 (XINHUA)—African leaders opened their three-day annual summit meeting here today to discuss the most crucial issues of peace and economic development on the African Continent.

Senegalese President Abdou Diouf, chairman of the previous summit, declared open the 29th summit meeting of the Organization of African Unity (OAU).

At least 39 heads of state or governments and senior representatives are attending the summit and Egyptian President Husni Mubarak was elected chairman of the current summit for the second time in four years.

The International Convention Center, where the summit meeting is being held, is heavily guarded. Hundreds of reporters were not allowed to enter the conference hall for covering the opening ceremony. Instead, they were allowed to stay in nearby rooms to watch live broadcast of the meeting through close-circuit TV.

While addressing the opening ceremony, Mubarak said the meeting "reflects our common will not only to assess the outcome of our struggle and action in the past 30 years, but to define the future of our continent and specify our identity and role in the world."

He said since the first OAU summit meeting in 1964, Africa went through different stages of struggle, from liberation to boosting independence, eliminating apartheid and all forms of racial segregation, famine, desertification and seeking to alleviate the burdens of debts.

"With its abundant resources, Africa would never accept to play a marginal role...and Africa would stand against the trend to marginalize Africa," he said.

He said African leaders hope to establish a mechanism for resolving inter-African disputes through peaceful

means to end the civil war, internal conflicts in Africa which have led to the displacement of thousands of Africans and put many more into suffering.

Africa will stand firmly against terrorism under different cloaks and slogans moved by foreign forces on the continent to seek their own selfish purposes, he said.

Mubarak also urged Africans to fight marginalization of their continent.

He pointed out that Africa is embroiled in civil wars, regional conflicts and tribal feuds.

The African leaders are expected to discuss the establishment of a mechanism to prevent, manage and handle inter-African disputes and the setting up of an African economic community to stimulate the trade within the continent.

The treaty on setting up a pan-African economic community was worked out in 1991 after 10 years of discussion and so far 31 OAU countries have ratified the treaty, still four short of a two-thirds majority.

Pan-Africanist Congress leader Clarence Makwetu, United Nations Secretary General Butrus Butrus-Ghali and Eritrean President Isaias Aferwerki also addressed the opening ceremony.

The seats for Somalia remained vacant throughout the meeting. Earlier reports said Somalia would not attend the summit because of civil disturbances.

The last summit, the 28th session, was held in Senegal's capital of Dakar.

Makwetu, in his capacity as the representative of the national liberation movements in Africa, said at the opening ceremony that the current summit is taking place at a time when the multi-party constitutional negotiations are going on in his country.

He gave a brief account of the negotiations, saying that his organization and other liberation movements are determined to establish a non-racial, democratic constitution in South Africa.

He criticized the white South African regime for its "criminal activities" in the past months, which retarded the democratic process.

Makwetu also called for increasing cooperation between the liberation movements and the OAU, and spoke highly of Egypt's contributions to the liberation movement.

Butrus-Ghali addressed the opening ceremony by reviewing the United Nations' efforts to curb conflicts in Africa over the past year.

"Development assistance, humanitarian relief, regional cooperation, human rights, preventive diplomacy and peacemaking have all been important areas of United Nations activity in Africa during the past year," he said.

He stressed that the imperative of peace is essential for the controlled management of development in Africa. "Today, the question of Africa's development presents itself in terms that are both old and new," the UN chief said.

The question has a new dimension as well, he added, for the rest of the world's perception of Africa has changed after end of the cold war.

He urged Africa to strengthen its regional structures so that progress can be achieved throughout the continent. He also called on Africa to diversify its economy and promote training of its population.

### Li Peng Sends Greetings

OW2906045193 Beijing XINHUA Domestic Service in Chinese 0220 GMT 28 Jun 93

[("Full text" of greetings from Premier Li Peng on the opening of the 29th OAU Summit in Cairo on 28 June]

[Text] Beijing, 28 June (XINHUA)—Premier Li Peng of the State Council sent a cable to the 29th Assembly of Heads of State and Government of the Organization of African Unity (OAU) today to express his warm greetings to the opening of the meeting. Here below is the full text of the greeting cable:

#### Cairo

The Assembly of Heads of State and Government of the Organization of African Unity:

On the occasion of the convening of the 29th Assembly of Heads of State and Government of the OAU and of African people solemnly celebrating the 30th founding anniversary of the OAU, I want to extend a warm greeting to the opening of the meeting on behalf of the Chinese Government and people.

In its 30 years of glorious history, the OAU has unified African countries and people, overcome all kinds of difficulties and obstacles, and triumphantly accomplished the great historical mission of the decolonization of the African Continent. It has also made unremitting efforts to safeguard the independence and sovereignty of African countries, promote African unity and cooperation, and revitalize the African economy. It has made major contributions to the cause of world peace and human progress.

In recent years, faced with new challenges brought about by the tremendous changes in the international situation, African nations have not flinched from difficulties. They have made unremitting efforts, striven to explore political systems and ways of development that are suitable to their own country, and vigorously promoted the process of a single market on the continent. Securing big support from the international community, the OAU has unceasingly striven to mediate between African countries to help settle their conflicts and disputes; it has played an important role in maintaining peace and security in

Africa. We sincerely hope that the OAU and the African countries and people will constantly attain new achievements.

The Chinese Government and people are pleased with the new progress in South Africa's multiparty talks. We call on the South African Government to comply with the will of the broad mass of the people in South Africa, adopt concrete measures to end terrorism and violence, and speed up the negotiation process, so as to build a unified and democratic new South Africa where all people will enjoy racial equality. We support the efforts of the Angolan and Mozambique Governments to promote the domestic peace process. We call on all parties involved in Somalia and Liberia to put their overall national interests first and to bring their internal conflicts to a quick end so as to pave the way for an early peace and rehabilitation. As a permanent member of the UN Security Council, China would keep on working toward a solution to all of these problems.

China maintain a long and deep friendship with African nations. It will constantly deepen and develop friendly and cooperative relations with them. The attachment between the Chinese and African people can be compared to that of brothers and sisters, and they have always supported and assisted each other. We sincerely appreciate African countries' standing up to the big powers and their upholding of justice, and we thank them from the bottom of our hearts for their rendering of genuine support to China. We strongly believe that the friendly and cooperative relationship between China and the OAU will be further cemented and strengthened in the years to come regardless of any changes in the international situation.

I believe that the current summit meeting will surely and triumphantly accomplish the mission entrusted by the African countries and people and will make fresh contributions to the peace, stability, and economic development of Africa.

I hope for a successful meeting!

[Signed] Li Peng, premier of the State Council of the People's Republic of China

28 June 1993, Beijing

#### **Luo Gan Addresses Disaster Management Meeting**

*OW2606115393 Beijing XINHUA in English 1132  
GMT 26 Jun 93*

[Text] Beijing, June 26 (XINHUA)—The reduction of global natural disasters is a long-term common task of all countries, according to Chinese President Jiang Zemin.

In a letter of congratulations to the international conference on disaster management in China that was held here yesterday, Jiang said, "A major objective of the

activities of international decade for natural disaster reduction is to reduce natural disasters in developing countries."

As a developing country, he said, China will expand exchanges and co-operation with other countries and make its own contributions to the reduction of natural disasters in the world.

Delegates from nearly 20 countries attended the conference, which was held jointly by the China Committee of the International Decade for Natural Disaster Reduction, the Ministry of Civil Affairs and the United Nations Development Program.

Addressing the conference on behalf of the Chinese Government, Chinese State Councillor Luo Gan pledged to make tremendous efforts to reduce natural disasters in China.

He said that the Chinese Government follows the guideline of paying equal attention to both economic construction and disaster reduction.

The government will raise money through various channels to increase investment in disaster reduction, accelerate construction of disaster-prevention facilities, and improve China's disaster information system and its rescue and relief system, he said.

"We'll also try to enhance our monitoring and forecast efficiency and rapid-reaction capability, promote the study and use of disaster-reduction techniques and promptly enact disaster-reduction laws," said Luo, who is also secretary-general of the State Council.

In the future the emphasis of disaster reduction will be placed on disasters causing enormous losses to lives and property and on areas crucial to the country's economy and social development, he said.

Addressing the conference, Olavi Elo, director of the secretariat of the International Decade for Natural Disaster Reduction of the United Nations, outlined the U.N. role in managing global disasters.

He said he hoped that China will safely tide over the upcoming flood season.

In his speech, Civil Affairs Minister Doje Cering [name as received] said that Chinese Government will take a series of effective measures to continue its disaster-reduction activities.

#### **Zhu Rongji Meets Delegates**

*OW2606085893 Beijing XINHUA in English 0839  
GMT 26 Jun 93*

[Text] Beijing, June 26 (XINHUA)—Chinese Vice-Premier Zhu Rongji met here today with Olavi Elo, director of the secretariat of the International Decade for Natural Disaster Reduction of the United Nations, and

other foreign participants in an international conference on disaster management in China, which was held here yesterday.

They exchanged views on disaster reduction in China as well as other countries.

### Securities Committee Official Discusses Market

OW2506001693 Beijing XINHUA in English 1437  
GMT 24 Jun 93

[Text] Beijing, June 24 (XINHUA)—Liu Hongru, deputy director of the Securities Committee of the State Council, said here today that the development of China's stock market and experiment with a share-holding system have played a positive role in the development of the national economy.

At an international seminar on the share-holding system of China's enterprises, he said that the securities market has promoted circulation of funds, transformation of enterprise management mechanisms and regulation of economic setups in the country.

But, he noted, China should absorb the experiences and lessons in the development of international market and explore new ways for developing securities market under a socialist system.

From 1981 to 1992, the total value of negotiable securities issued in China amounted to 381.7 billion yuan.

Last year the total transactions at the securities exchanges reached 104.4 billion yuan.

By the end of May, the Shanghai stock exchange had 58 kinds of A-shares and 11 kinds of B-shares, and four kinds of bonds on the market with a capitalization of 176.6 billion yuan.

The Shenzhen stock exchange has 32 kinds of A-shares, 11 kinds of B-shares and one kind of convertible bond on the market with a capitalization of 141.1 billion yuan.

Liu pointed out that the formation and development of securities markets constitute important contents in restructuring China's economy.

He said that the development of securities markets has collected funds for economic construction, restricted inflation, promoted transformation of the management mechanism of state-owned enterprises and optimized allocation of resources.

He also mentioned the problems in the development of China's securities markets such as standardization of share-holding system in enterprises, the setups of development of securities market, setting up unified supervision and control network on securities and stocks and the sense of risk on the securities market.

He urged the people to enhance their understanding of securities market risks.

He also called for enhancing securities market legislation and improving the system of securities and stock laws and regulations, and training of qualified personnel for securities business.

### United States & Canada

#### White House Officials Replaced After 'Missteps'

OW2606051093 Beijing XINHUA in English 0339  
GMT 26 Jun 93

[Text] Washington, June 25 (XINHUA)—White House Chief of Staff Thomas McLarty today switched his three top White House officials to new jobs to help President Bill Clinton avoid missteps that have plagued his five-month presidency.

McLarty announced in a written statement that the White House political director, Rahm Emmanuel, will be replaced by his deputy Joan Baggett.

Baggett is a one-time union lobbyist well-liked to party leaders from her days as a top aide to former Democratic Party National Committee Chairman Ronald Brown, now the commerce secretary of the Clinton administration.

She will manage White House outreach to constituency groups and activists around the country.

Emmanuel will become deputy communications director, taking the job held by Ricki Seidman who will become counselor to the chief of staff.

These personnel changes, which have been in the making for weeks, will take effect early next month, McLarty said.

There have been reports of friction between Emmanuel and other White House officials.

Earlier, White House Deputy Chief of Staff Mark Gearan replaced White House Communications Director George Stephanopoulos who became a senior adviser to President Clinton.

### Rong Yiren Receives California Delegation

OW2606115293 Beijing XINHUA in English 1050  
GMT 26 Jun 93

[Text] Beijing, June 26 (XINHUA)—Chinese Vice-President Rong Yiren met with Leo McCarthy, lieutenant governor of the American state of California, and his party here today.

McCarthy is leading an economic and trade delegation from his state.

Rong called McCarthy "an old friend of China" who has worked hard to promote Sino-U.S. relations.

He said both China and the United States are concentrating on economic development and the two countries share common interests on this point.

Rong expressed the hope that members of the delegation will make contributions to the strengthening of cooperation between California of the United States and China, and to the development of Sino-U.S. economic and trade ties.

McCarthy said his visit is aimed at promoting "long-term economic ties" between California and China.

He told Rong that numerous small and medium companies in his state particularly want to do business with China.

Rong said China welcomed the cooperation in the economic and technological fields.

Liu Shuqing, president of the Chinese People's Institute for Foreign Affairs, attended the meeting.

McCarthy and his party arrived here Wednesday [23 June] at the institute's invitation. They are also scheduled to visit Shanghai and Guangzhou.

### Central Eurasia

#### Report on Opening of Sino-Russian Border Post

OW2906114293 Beijing XINHUA in English 0746  
GMT 29 Jun 93

[By correspondent Gao Shuhua]

[Text] Harbin, June 29—"People often consider the Sino-Russian border area mysterious. But I tell you peace and friendship now prevail," an officer at a Chinese forward post said in a recent interview with XINHUA.

About a million troops once confronted each other in the border area for over two decades in the 1960s and 1970s.

"In the past, soldiers from the two sides would stare angrily at each other when they met. Now, however, they wave greetings or convey regards by saying 'zdravstvuite' (how do you do) to each other," the officer said at the reception room in his camp, a two-story cream-colored building at Aihui (Aigun) town in northeast China's Heilongjiang Province, which borders Russia beyond Heilongjiang River.

Aihui was the first Chinese forward post to be opened to the Russians in August last year. The town is also where the Sino-Russian Treaty of Aigun was signed in 1858.

The camp is clean and tidy with a 12-meter high watchtower reminding visitors it is a frontier defense post.

After Aihui was opened, the officer said a Russian delegation of frontier guards came to visit last summer. During their stay they watched Chinese soldiers training and taking part in other military exercises. Soldiers from

both sides also held a shooting contest, played table tennis and billiards, went on picnics, and sang, danced and swam together in the Heilongjiang River. "This was unimaginable in the past," the officer said.

He recalled that during a routine talk on frontier defense affairs on a day in the 1970s, the two sides argued, thumped the table and suspended talks just because somebody spoke a little bit too loudly.

However, the officer said, soldiers from both sides now help each other. One day, a Russian patrol boat got stranded on Heilongjiang River. The Chinese frontier guards went immediately to help haul the boat out of danger.

In another incident, a Chinese frontier guard, Wu Jiyong, broke his leg while working on a patrol boat. The Russians dispatched a helicopter to evacuate Wu to a Russian hospital for urgent treatment.

According to Colonel Yuan He, in Heihe City, relations between the soldiers are now so relaxed that each side will invite the other to send representatives to major celebrations. Sometimes they present gifts. On one occasion the Russians presented the types of border control alarms to the Chinese.

Contacts have also increased at high level. In March this year, Lieutenant General Bagdanov, commander of the Pacific frontier military area of Russia, visited the Chinese frontier troops. In return the general got presented with a cake on his birthday on March 19, by Shi Jianye, director of the Frontier Defense Bureau of the Public Security Department of Heilongjiang Province.

Colonel Yuan said that the peaceful and friendly exchange between the frontier soldiers has helped promote the development of cross-border trade and tourism.

From the watchtower at the Aihui outpost, it is possible to observe masses of Russian and Chinese tourists and businessmen as well as buses, cars and trucks moving in and out of the port.

Statistics show that since 1989, the number of Russian tourists and businessmen crossing at Aihui port has topped 250,000.

Last year, the volume of trade between China and Russia and other member states of former Soviet Union was worth 5.23 billion U.S. dollars.

### Luo Gan Receives Kazakhstan Delegation

OW2906115493 Beijing XINHUA in English 0938  
GMT 29 Jun 93

[Text] Beijing, June 29 (XINHUA)—Luo Gan, Chinese state councillor and secretary general of the State Council, met here this afternoon with B.P. Symov [name as received], Kazakhstan minister of home affairs, and his party.

They exchanged views on further expanding cooperation between the two countries in public security affairs and other issues of common interest.

The Chinese Ministry of Public Security and the Kazakhstan Ministry of Home Affairs signed an agreement of cooperation yesterday.

The Kazakhstan guests, who are here as guests of the Ministry of Public Security, are scheduled to leave for northwest China's Xinjiang Uygur Autonomous Region soon.

### Southeast Asia & Pacific

#### Police Detain Activist, Australian Journalist

HK2906044193 Hong Kong *SOUTH CHINA MORNING POST* in English 29 Jun 93 p 10

[Text] Shanghai police held a veteran dissident for a third day yesterday after he and two others tried to meet an Australian journalist travelling with Prime Minister Paul Keating, the activist's friends said. The Australian Embassy in Beijing also expressed regret over the detention for three hours by Shanghai police on Sunday [27 June] of Australian Broadcasting Corporation Beijing correspondent Alison Moore. It was seeking clarification from the Chinese Government.

Dissident Fu Shenqi, a veteran of the 1978-79 Democracy Wall movement, was detained on Saturday along with fellow political activists Yang Zhou and Wang Fuchen to prevent them from meeting Moore, who was in Shanghai to cover Mr Keating's visit. "There is still no word from him—police continue to hold him in the district public security department," a friend of Fu's said in Shanghai. The friend said police had trumped up charges of bicycle theft against Fu as a pretext for detaining him, but even those weak charges were exposed after his wife proved the bike in question belonged to her. Mr Yang and Mr Wang were released at the weekend.

An Australian Embassy spokesman said it was regrettable a journalist had been detained "in the conduct of what is apparently normal activity." Moore said she was held for three hours in a police station and released after a "polite" inquiry. The embassy spokesman declined to comment on the dissidents but said Australian officials were seeking further clarification from Chinese officials in Beijing and Shanghai over Moore's detention.

Mr Yang's friends said his telephone line had been cut to prevent him from talking to the foreign press, and plain-clothes police had been outside his house 24 hours a day.

[Hong Kong RTHK Radio Four in English at 0500 GMT on 29 June adds in its "News at One" program that "police in Shanghai have detained the dissident Fu Shenqi, and family members say his wife has also disappeared. Mr. Fu was arrested on Saturday. He was going

to his father's home when several people surrounded him and accused him of stealing. They all went to the local police station to resolve the dispute, but his wife was not allowed inside. Repeated efforts by his family to find out what happened to him have failed. Mr. Fu was arrested in 1991 and held for nearly two years for publishing an underground prodemocracy magazine."]

In a separate development, veteran dissident Wang Xizhe has been warned by Guangzhou police that he must stop giving interviews to foreign reporters and submitting articles to foreign publications. Hong Kong activist Lau Shan-ching said yesterday Mr Wang was warned by Guangzhou police about two weeks ago that he must stop his political activities. According to Mr Lau, Mr Wang was also warned not to start a private business, although no explanation was given for this. He had been planning to start a business since his release from prison last February.

#### Li Ruihuan Receive Australian Party Leader

OW2806130693 Beijing *XINHUA* in English 1233  
GMT 28 Jun 93

[Text] Beijing, June 28 (XINHUA)—Li Ruihuan, a Standing Committee member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met with a delegation from the National Party of Australia led by party leader Tim Fischer here today.

Li, also chairman of the Chinese People's Political Consultative Conference (CPPCC) National Committee, extended a welcome to the visitors.

He said that bilateral relations, generally speaking, have developed well since the two countries established diplomatic relations in 1972.

Both China and Australia are located in the Asia-Pacific region and the two countries bear common responsibilities in maintaining peace and stability and economic prosperity in the region, Li said.

China's reform and opening policy are proceeding well and the two countries have a good prospect in promoting cooperation in the economy, trade, culture, science and technology and other fields, he added.

Li expressed the belief that the delegation's visit will make new contributions toward enhancing mutual understanding and friendly cooperation between the two peoples.

Fischer said that the visit, which came soon after the visit of Australian Prime Minister Paul J. Keating, will promote the development of bilateral relations, in particular economic and trade ties.

He said the economies of the two countries are mutually supplementary to a great extent and the two sides should further promote the development of bilateral ties in trade and other areas.

Upon request of the visitors, Li gave an account of China's reform and opening and multi-party cooperation under the leadership of the Chinese Communist Party and China's views on human rights.

Shen Qiucheng, member of the CPPCC National Committee and vice-chairman of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang, and Li Shuzheng, head of the International Liaison Department of the CPC Central Committee, were present at the meeting.

#### **'Roundup' Views Relations With Malaysia**

*OW2606054493 Beijing XINHUA Domestic Service in Chinese 0724 GMT 13 Jun 93*

[“Roundup” by reporter Ding Baozhong (0002 1405 1813)]

[Text] Kuala Lumpur, 12 Jun (XINHUA)—China and Malaysia established diplomatic relations in 1974 and cooperative relations between the two countries have developed steadily since then. Since Malaysian Prime Minister Mahathir Mohamad's first visit to China in 1985, these relations have entered a new stage.

After Prime Minister Mahathir's first visit to China, the Malaysian Government lifted its restrictions on visits to China. Since then, mutual visits by the peoples of the two countries have been more convenient, and economic cooperation between the two countries has been more fruitful. According to statistics, some 105,000 Malaysians visited China in 1992, 64,000 more than in 1990. Trade between Malaysia and China surpassed \$1 billion for the first time in 1989 and increased by double digits in the following years; it reached \$1.475 billion in 1992, up 10.9 percent from the previous year. In 1992, Chinese companies set up 34 investment offices in Malaysia and reached investment agreements with Malaysia totalling \$104 million—half of China's total investment in Malaysia for the previous 10 years. China's investment in Malaysia involved the service trade, the manufacturing industry, the medical industry, and other industries. Malaysia's direct investment in China exceeded \$100 million in 1992.

The Chinese and Malaysian Governments so far have signed eight friendly cooperation agreements on the avoidance of double taxation, maritime shipping, civil aviation, trade, investment protection, economic contacts, journalistic cooperation, and science and technological cooperation.

Leaders at the head-of-state level of the two countries have exchanged visits over the last two years. Malaysian Defense Minister Najib Razak visited China in August 1992, and Chi Haotian, Chinese state councillor and national defense minister, paid a return visit to Malaysia last May.

The Malaysian-Chinese Friendship Society was formally inaugurated in Malaysia at the end of 1992; Prime

Minister Mahathir serves as the society's supervisor. In his speech at a Malaysian-Chinese friendship night rally on 30 April this year, Mahathir said he supported friendly cooperation between Malaysia and China.

Prime Minister Mahathir will make another visit to China 13-22 June this year. His entourage will include 143 well-known personalities from Malaysian business circles who will seek trade and investment opportunities in China during their visit. It is foreseeable that the upcoming visit will definitely raise friendly and cooperative Malaysian-Chinese relations to a new level.

As both China and Malaysia are applying themselves to developing their domestic economies, they can establish mutually beneficial cooperation in many fields. To continue to develop the existing friendly and cooperative relations between the two countries is a common wish of the governments and the peoples of the two countries. Moreover, both China and Malaysia hold that the friendly and cooperative relations between the two countries help maintain the region's peace, stability, and development.

#### **'Roundup' Assesses State of Philippine Economy**

*OW2706084393 Beijing XINHUA in English 0742 GMT 27 Jun 93*

[“Roundup” by Xiong Changyi: “Manila's Economic Recovery Remains Hazy”]

[Text] Manila, June 27 (XINHUA)—The prospects of the Philippines' long-awaited economic recovery remain hazy due to the unresolved power crisis which continues to hamper the increased business activities.

Central Bank Governor Jose Cuisia, Jr. said over the weekend, “I don't think a recovery is in the offering at this point because the power situation continues to be very bad.”

The government originally projected a 4.5 percent growth in gross national product (GNP) for 1993 as compared with 0.62 percent growth last year.

Later, it revised the target to 3.5 percent growth for the year due to the serious power crisis in Metro Manila and the rest of Luzon. The country's GNP growth stood at 0.92 percent in the first quarter of 1993.

However, some economists feel that the power shortage has been much worse than anticipated, its impact on business has been underestimated and that even the government's revised growth target remains too high.

Meanwhile, National Economic and Development Authority Director General Cielito Habito said last week that the government's hefty shortfall in revenue collection is unlikely to improve for the rest of the year due to the lingering power crisis.

By the end of May this year, the government's revenue collection fell short by 14 billion pesos (518.5 million U.S. dollars) from its target of 120 billion pesos (4.4 billion U.S. dollars).

He said the earnings of local firms, particularly in manufacturing, have been eroded by the chronic six to eight-hour power outages, which led to lower corporate income taxes paid by corporations.

President Fidel Ramos himself admitted last week that the power crisis was one of the "disappointments" for the first year of his administration.

But he said the power shortage will be eased by late December or next January as the government's fast-track projects are completed.

Private sector estimated that the country lost some 50 billion pesos (1.85 billion U.S. dollars) in the first half of 1993 due to the power shortage.

Latest survey conducted by the Bureau of Labor and Employment Statistics showed that 9.69 million workers in the country were affected by the ongoing blackouts in the first five months of the year and 166,000 or 9.8 percent of them were laid off.

### Shandong Governor Makes Visit to Singapore

#### Meets With Lee Kuan Yew

SK2606041893 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 25 Jun 93

[Text] Lee Kuan Yew, senior minister of the Republic of Singapore, cordially met with Zhao Zhihao, governor of Shandong Province, at the presidential palace on the afternoon of 25 June. The two sides had friendly talks. Senior Minister Lee Kuan Yew said: Shandong has abundant natural resources and a long history and civilization. There are wide spheres and vast prospects for the economic and trade cooperation and the friendly contacts between Singapore and Shandong. We sincerely hope that the friendly contacts between Singapore and Shandong will develop and expand continuously.

Governor Zhao Zhihao briefed Senior Minister Lee Kuan Yew on Shandong's situation in terms of its history, culture, natural resources, opening, and economic development. Zhao Zhihao said: In recent years, there have been good relations of cooperation between Shandong and Singapore. Along with the constant expansion of the opening of Shandong, economic and trade cooperation, as well as the friendly contacts between the two sides, will be even more extensive and penetrating, and even more substantive results will be achieved. Governor Zhao Zhihao expressed his sincere appreciation to Senior Minister Lee Kuan Yew for his visit to Shandong.

Chinese Ambassador to Singapore Yang Wenchang was also on hand during the reception.

#### Talks With Deputy Premier

SK2606043293 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 25 June 93

[Text] On the afternoon of 25 June, at the Singapore National Workers Federation building, Ong Teng Cheong, deputy prime minister of the Republic of Singapore, cordially met with Zhao Zhihao, governor of Shandong Province, and all other members of the delegation of the Shandong Provincial People's Government. Amid a friendly atmosphere, the host and the guests conscientiously discussed how to further develop the economic and trade cooperation and the friendly contacts between Singapore and Shandong.

Governor Zhao Zhihao expressed his intent to further promote the cooperation and exchanges in various spheres between the two sides through his current visit, and he extended a sincere invitation to Deputy Prime Minister Ong Teng Cheong to visit Shandong.

On 25 June, Governor Zhao Zhihao also paid official calls to the [words indistinct] bureau of Singapore and Singapore Airlines. He was interviewed by reporters of various major newspaper agencies, radio stations, and television stations.

#### Signs Trade Accord

OW2606141793 Beijing XINHUA in English 1342 GMT 26 Jun 93

[Text] Singapore, June 26 (XINHUA)—A memorandum of understanding (MOU) between Singapore and Shandong Provincial Government of China was signed here today.

The MOU on setting up Singapore-Shandong business council was signed by visiting Governor of Shandong Province Zhao Zhihao and Singapore Minister for Trade and Industry S. Dhanabalan.

Tan Guan Seng, political secretary to Prime Minister Goh Chok Tong, is the chairman of representatives of Singapore for Singapore-Shandong Business Council, while Song Fatang, vice-governor of Shandong Province, is the chairman of China's side.

Zhao and his 16-member provincial delegation is visiting here from June 23-28.

The signing of the MOU today will facilitate and further open new avenues for Singapore companies to strengthen existing business relations with Shandong Province as well as to develop new investments there, said Tan Guan Seng at the signing ceremony.

He hoped that the council would allow Singapore businessmen direct access to decision-makers in Shandong and provide the channels for the exchange of information and suggestions on investment and economic cooperation projects.

Presently Singapore companies are involved in 86 joint-venture projects valued at 120 million U.S. dollars in Shandong. Singapore is the province's fifth largest trade partner with total trade amounting to 386 million U.S. dollars.

### Attends Shandong Cultural Show

SK2706081393 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 26 Jun 93

[Text] In Singapore, a country with beautiful flowers, flowers blossom with a frenzy of color. The China Shandong exhibition on the products from the native place of Confucius and the China Shandong trade and investment seminar ceremoniously opened at Singapore's World Trade Center on 26 June. The long-standing and splendid culture of Shandong and the endless array of famous and exquisite products have attracted figures from various circles of Singapore. More than 700 projects aimed at absorbing foreign investment have roused the great interests of figures on the local enterprise circles.

Zhao Zihao, governor of Shandong Province; Yang Wenchang, Chinese ambassador to Singapore; Wang Yuyan, chairman of the Shandong Commission for the Promotion of International Trade; Dhanabalan, minister of trade and industry of Singapore; (Yang Shunde), director of the trade development bureau of Singapore; and Tan Guan Seng, political secretary to Singaporean Prime Minister Goh Chok Tong, attended the opening ceremony and cut the ribbon at the opening of the exhibition. More than 500 noted figures from various circles of Singapore attended the opening ceremony.

Governor Zhao Zihao delivered an important speech. He said: As indicated by Premier Goh Chok Tong's visit to Shandong last April, the friendly cooperation between Shandong and Singapore has entered a new stage of development. Shandong is an important coastal province of China, and Singapore is a rising, modernized Asian country. The two sides are mutually complementary in the economy and are common in many fields of culture. Among the more than 150 countries and regions that have cooperated with Shandong in trade, Singapore is a major trade partner and a major economic and technological cooperation partner of Shandong. Along with the constant expansion of Shandong's opening up and with the further improvement in Shandong's investment environment, the economic and trade cooperation between Shandong and Singapore will certainly have even more splendid prospects and yield even more substantive results.

Governor Zhao Zihao stated: Based on the existing forms, we should adopt even more flexible and varied forms to develop the all-round cooperation with Singapore. We warmly welcome Singaporean friends to Shandong for sightseeing, tourism, trade talks, initiating enterprises, and scientific, technological, and cultural exchanges.

At the trade and investment seminar, Wang Chuntau, chairman of the Shandong Provincial Commission for Foreign Economic Relations and Trade, introduced the province's investment environment, cooperation sphere, policies and regulations, and investment formalities. Qingdao, Yantai, Weihai, Weifang, Tai'an, and Jining cities, respectively, introduced their basic situation and investment environment. Mr. (Yu Dazhong), an entrepreneur of Singapore, explained his investment experience in Shandong. After the seminar, a ceremony was held to sign the memorandum of understanding on setting up Singapore-Shandong Economic and Trade Council. Governor Zhao Zihao and Minister Dhanabalan signed the memorandum, respectively.

On the afternoon of the first day of the exhibition, Singaporean Prime Minister Goh Chok Tong zestfully viewed the exhibition and spoke highly of it. He also gladly wrote inscriptions and praised the exhibition as a very good one. On 26 June, the Singapore-Qilu International Corporation, Limited, Shandong's economic and trade agency stationed in Singapore, was formally set up at the Singaporean World Trade Center. Governor Zhao Zihao and (Zhu Zhenyun), commercial counselor of China stationed in Singapore, cut the ribbon at the opening of the corporation.

The two major cooperation projects signed at the first day of the exhibition caused a sensation in Singapore. Through conscientious discussion, the China Dongfang Aviation Qilu Corporation, the Shandong Provincial Administration of the Civil Aviation Administration of China, and the Singaporean Civil Aviation Bureau have decided to open the Jinan-Singapore chartered plane service. The Widefield Production Corporation, Limited, of Singapore signed the agreement with (Weitong) District in Weifang City on investing \$28 million in solely building the Weifang International Industrial and Trade City.

### Burmese Official Inspects PRC-Aided Bridge

OW2606051193 Beijing XINHUA in English 0402  
GMT 26 Jun 93

[Text] Yangon, June 26 (XINHUA)—Second Secretary of the Myanmar ruling State Law and Order Restoration Council (SLORC), Tin U, Friday [25 June] inspected China-aided Yangon-Thanlyin bridge project which will be inaugurated on July 31 this year.

At a meeting, Tin U said that the bridge is being constructed as a token of Sino-Myanmar friendly relations.

He emphasized systematic execution of work for creation of pleasant surroundings by the bridge and called on the Myanmar railways to draw up maintenance plans and implement them in coordination with other departments.

The total length of the bridge is 2,938 meters and the main span of the bridge is 1,844.4 meters.

**Ambassador Donates Money to Burmese Fire Victims**

OW2806132893 Beijing XINHUA in English 1228  
GMT 28 Jun 93

[Text] Yangon [Rangoon], June 28 (XINHUA)—Qi Zhi-jia, charge d'affaires ad interim of the Chinese Embassy here, on behalf of Chinese Ambassador to Myanmar [Burma] Liang Feng, today donated 200,000 kyats (about 33,000 U.S. dollars) to Myanmar fire victims in Myingyan.

Qi Zhi-jia handed over the Myanmar currency to Saw Thein, director-general of the relief and resettlement department under the Ministry of Social Welfare, Relief and Resettlement.

On May 13 this year, a big fire in Myingyan township of Upper Myanmar's Mandalay Division destroyed about 31.5 hectares of settlement areas and rendered more than 8,000 persons homeless.

The World Health Organization and some foreign countries including Japan, Australia, the United States and Britain recently donated goods or money to the fire victims.

**Papua New Guinean Agricultural Minister Visits Signs Agricultural Accord**

OW2806064493 Beijing XINHUA in English 0620  
GMT 28 Jun 93

[Text] Beijing, June 28 (XINHUA)—China's Ministry of Agriculture and the Papua New Guinean (PNG) Ministry of Agriculture and Livestock signed a memorandum of understanding on further development of bilateral agricultural cooperation here this afternoon.

According to the memorandum, the two sides will, on the basis of reciprocity, conduct agricultural cooperation in varied forms in the fields of land development, livestock improvement, rice growing, and production and processing of tropical crops produce.

Prior to the signing of the memorandum, Wan Baorui, Chinese vice-minister of agriculture, and Roy Avara, PNG minister of agriculture and livestock, held talks in this regard.

Wan said that tremendous progress has been made in China's agriculture over the past decade and more since the adoption of the reform and opening-up policies in the country. At present, China's rural areas, which is in a period of reform, is moving toward the direction of high output, fine quality and efficiency.

Both sides agreed that the two countries should carry out reciprocal cooperation while tapping their respective advantages.

**Chen Junsheng Meets Minister**

OW2806131993 Beijing XINHUA in English 1145  
GMT 28 Jun 93

[Text] Beijing, June 28 (XINHUA)—Chinese State Councillor Chen Junsheng met here today with Roy Evara, Papua New Guinean minister of agriculture and livestock.

They exchanged views on further cooperation in agriculture and other issues of common interest.

Chen said that China and Papua New Guinea, both in the Asia-Pacific region, have close friendly relations.

He said that the two countries are mutually complementary in terms of resources and enjoy broad prospects for exchanges in economy and trade and other fields.

Evara said the two countries are making efforts to develop friendly bilateral relations.

He said that Chinese entrepreneurs are welcome to carry out cooperation in various forms in Papua New Guinea.

Evara and his party arrived in Beijing on Sunday [27 June]. They will also visit south China's Guangdong and Hainan Provinces.

**Shaanxi Welcome Thai Buddhist Leader in Xian**

OW2606140093 Beijing XINHUA in English 1309  
GMT 26 Jun 93

[Text] Xian, June 26 (XINHUA)—More than 100 Chinese Buddhists gathered at a religious service in the Daci'en Temple in Xian, capital of northwest China's Shaanxi Province, today to welcome Somdet Phra Yannasangwon, religious leader of Thailand's Buddhists.

After the service, the supreme patriarch, accompanied by Zhang Shengzuo, director of the Bureau of Religious Affairs under the State Council, toured the Dayan Pagoda, the historical museum and the west gate of the ancient city wall in Xian.

**Near East & South Asia****Report Says Firing Occurs Over Baghdad**

OW2906092693 Beijing XINHUA in English 0902  
GMT 29 Jun 93

[Text] Baghdad, June 29 (XINHUA)—Dozens of anti-aircraft firings were heard at 10:25 A.M. local time (0625 GMT) today over the western sector of Baghdad.

The firings followed the normal flying of an Iraqi police helicopter over Baghdad.

The anti-aircraft firings came three days after U.S. warships based in the Gulf and Red Sea fired 23 Tomahawk Cruise missiles on Iraq's intelligence service headquarters in Baghdad.

Iraq said that four of the missiles were shot down by its air-defense forces during that attack.

However, an official from the Iraqi Information Ministry's Press Center said in a telephone interview with XINHUA that he has no information on the firings today.

Following Sunday's [27 June] missile attack, U.S. President Bill Clinton said that the U.S. will attack Baghdad again if Iraq continues to threaten U.S. citizens.

Head of the Iraqi intelligence service has reportedly said the U.S. missile attack will be revenged.

### Vice Premier Li Lanqing Visits Kuwait

OW2606094193 Beijing XINHUA in English 0909  
GMT 26 Jun 93

[Text] Kuwait City, June 26 (XINHUA)—Chinese Vice-Premier Li Lanqing left here today following a week-long visit designed to promote bilateral relations.

Li is heading for Saudi Arabia, the second leg of a Gulf tour which will also take him to the United Arab Emirates, Oman, Bahrain, Qatar and Iran.

During his stay in Kuwait, Li held talks with Kuwaiti Amir Shaykh Jaber al-Ahmed al-Sabah, Crown Prince and Prime Minister Shaykh Sa'ad al-'Abdullah al-Sabah, First Deputy Prime Minister and Foreign Minister Shaykh Sabah al-Ahmad al-Sabah and Oil Minister 'Ali al-Baghl.

The Chinese vice-premier also presided over, jointly with Kuwaiti Minister of Planning Nasir al-Ridan, the inaugural and closing meetings of the third session of the joint Chinese-Kuwaiti committee on economic, technical, and trade cooperation.

Li's visit here has been the first of its kind since he assumed the office of vice-premier in April.

### Official Signs Draft Taxation Treaty in UAE

OW2606095293 Beijing XINHUA in English 0912  
GMT 26 Jun 93

[Text] Abu Dhabi, June 26 (XINHUA)—China and the United Arab Emirates (UAE) have agreed to end double taxation in a draft accord signed here today.

An official from China's State Tax Bureau, Sun Yugang, and Assistant Under-Secretary Muhammad Khalifah Kharbush of the UAE Finance and Industry Ministry signed the draft agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

Last year, China and the UAE signed a draft agreement on promotion of investment between the two countries.

Both agreements are to be signed formally by the two countries when Chinese Vice-Premier Li Lanqing visits the UAE Thursday [1 July].

Li, leading a Chinese economic delegation on a seven-nation Gulf tour, visited Kuwait between June 21 and June 26. The delegation is to arrive in Saudi Arabia later today and will then proceed to Bahrain, Qatar, the UAE, Iran and Oman.

### East Europe

#### Reportage on Visit of Polish Deputy Premier

##### Meets With Zou Jiahua

OW2606080693 Beijing XINHUA Domestic Service in Chinese 1318 GMT 25 Jun 93

[Text] Beijing, 25 Jun (XINHUA)—Vice Premier Zou Jiahua held talks here today with Polish Deputy Prime Minister Henryk Goryszewski, who is on an official visit to China. Both sides exchanged views on bilateral relations and issues of common interest.

Zou Jiahua said during the talks: We are glad to see that, as a result of mutual respect and common efforts, Sino-Polish relations have made steady progress in all fields in the past few years despite the changes that have taken place in the international situation. This shows that as long as both sides adhere to the principles of mutual respect, equality, and mutual benefit; the seeking of common ground while reserving differences; and noninterference in each other's internal affairs, they will be able to overcome differences in social systems, ideology, and values and bring about an overall, steady, and sustained development in bilateral relations.

Zou Jiahua said: There are no conflicts in interests between China and Poland. The two countries share many common points in the fields of safeguarding world peace, defending state sovereignty and independence, and developing their economies. As China cherishes the traditional friendship between the people of the two countries and the friendly and cooperative relations that have already been established between the two countries, it is willing to continue developing friendly relations and cooperation in various fields with Poland on the basis of the Five Principles of Peaceful Coexistence. He said: Continuing to develop Sino-Polish bilateral relations and expanding the common points between us conform to the fundamental wishes and interests of the people of the two countries and are also conducive to world peace and development. Zou Jiahua said he believed that Deputy Prime Minister Goryszewski's visit will further promote the continued development of Sino-Polish bilateral relations, including economic and trade relations.

Goryszewski said: Traditional friendly and cooperative relations exist between Poland and China, and there are no conflicts of fundamental interests between the two

countries. Because China is a big country, Poland has consistently attached importance to its relations with China. He said: There is a foundation for further expanding bilateral economic and trade relations. The Polish Government is willing to work hard to further promote the development of bilateral relations, particularly bilateral economic and trade relations.

He reiterated that Poland only recognizes one China and holds that Taiwan is an inalienable part of the People's Republic of China, adding that Poland supports China's position on reunifying its country. Zou Jiahua expressed his appreciation for this.

Zou Jiahua also briefed the guest on the condition of reform and opening up in China. Goryszewski also told Zou Jiahua about the condition of economic reform in Poland.

After the talks, Zhou Jiahua met with the Polish entrepreneurs accompanying Goryszewski on his visit and had a conversation with them on the question of cooperation between the two countries.

In the evening, Zou Jiahua gave a banquet at the Diaoyutai Guest House in honor of Goryszewski and his party.

The Polish deputy prime minister and his party arrived in Beijing this morning.

### Confers With Qiao Shi

OW2606121993 Beijing XINHUA in English 1150  
GMT 26 Jun 93

[Text] Beijing, June 26 (XINHUA)—Qiao Shi, chairman of China's National People's Congress (NPC) Standing Committee, met with visiting Polish Deputy Prime Minister Henryk Goryszewski here this afternoon.

The two sides agreed to develop Sino-Polish relations on the basis of the Five Principles of Peaceful Co-existence.

A Chinese Foreign Ministry official quoted Qiao as saying that the Chinese and Polish peoples "have sympathized and supported each other in history" and there are "no fundamental conflicts of interest" between the two countries.

"China is willing to develop friendly relations and cooperation, including economic and trade ties, with Poland on the basis of the Five Principles of Peaceful Co-existence," Qiao said.

Speaking on domestic affairs, Qiao said that the general situation of China is good.

China pursues an independent foreign policy of peace so as to create a best possible international environment for its economic construction, he said.

Meanwhile, "we have all along attached importance to maintaining stability in the country."

"China's reform, on the other hand, has been proceeded step by step according to our country's real conditions," Qiao told the visitors.

Goryszewski said that he has witnessed the remarkable changes in China brought about by the policy of reform and opening to the outside world.

The deputy prime minister also said that there has been traditional friendly ties between Poland and China.

"The Polish Government has always maintained that there are no fundamental conflicts of interest between Poland and China and the Polish side is willing to further develop the friendly relations with China in various fields on the basis of the Five Principles of Peaceful Co-existence," Goryszewski was quoted as saying.

He added that the five principles should become the basis of international relations.

### Assesses Relations

OW2706075493 Beijing XINHUA in English 0736  
GMT 27 Jun 93

[Text] Beijing, June 27 (XINHUA)—Visiting Polish Deputy Prime Minister Henryk Goryszewski said here today the Polish-Chinese economic and trade relations will see rapid growth.

"The decline of the two-way trade volume resulting from the transition of trade mode has ceased," he told a press conference before leaving for Xian. "The situation is turning for the better."

He said that a group of Polish entrepreneurs accompanying him on the visit had held talks with Chinese departments concerned, which yielded "rather good results."

There are many opportunities for cooperation between the two countries in such fields as machinery, electronics, metallurgy and transportation, Goryszewski said.

Polish deputy prime minister came to China last Friday [25 June] at the invitation of Chinese Vice Premier Zou Jiahua.

Commenting on the current visit, Goryszewski said that it is the first time in four years that a Polish deputy prime minister visits China, and the two sides have "straightened out the problems existing in the bilateral economic and trade ties during the talks."

Although Poland is devoting itself to joining the European Community and attaches great importance to cooperation with other European countries, he noted, it would like to strengthen its economic and trade links with all other countries including China.

Reaffirming the traditional Polish-Chinese friendship, the deputy prime minister said that there are no fundamental conflicts of interest between the two countries and further development of bilateral relations is in the fundamental interest of the two peoples, he added.

"I hope that 50 or 100 years from now, Polish-Chinese friendship will be as good as it is today," he said.

The Polish deputy prime minister and his party left Beijing for Xian this morning to continue their China visit.

### Concludes Beijing Talks

LD2706164893 Warsaw PAP in English 1627 GMT  
27 Jun 93

[Text] Beijing, June 27—Polish Deputy Prime Minister Henryk Goryszewski, on an official five-day visit to the People's Republic of China, concluded two-days of talks with Chinese politicians here on Sunday [27 June].

At a press conference before his departure from Beijing Goryszewski expressed his satisfaction at his talks with Deputy Prime Minister Zou Jiahua and Chairman of the Standing Committee of the National People's Congress Qiao Shi, during which both sides stressed traditional friendship between the two countries, the will to support the development of relations in all fields, especially economic ties, and pointed at concrete prospects of their development.

The Polish deputy prime minister said that in the opinion of a group of Polish businessmen, accompanying him during the visit, their talks with Chinese partners held on Friday and Saturday were fruitfull.

Directors of Polish companies and foreign trade enterprises meeting with Goryszewski in Beijing said that the development of economic cooperation with China should receive political backing from the government.

Polish businessmen stressed the need for crediting Poland's exports to China, establishing business contacts among Polish and Chinese banks, setting up of a consortium of state and private enterprises and the participation of Polish enterprises in production ventures with Chinese partners.

On Sunday, members of the Polish delegation left Beijing for Xian, the capital of the Shaanxi province where they are to be acquainted with the development of the mining industry in this part of China. The Poles are also to visit an aircraft plant.

Deputy Premier Goryszewski and remaining members of the Polish delegation will arrive in Shanghai on Monday.

**Polish Official on PRC Internal Affairs, Tibet**  
OW2906023093 Beijing XINHUA in English 0126  
GMT 29 Jun 93

[Text] Warsaw, June 28 (XINHUA)—A senior Polish official said Monday [28 June] that his government would abide by the Five Principles of Peaceful Coexistence regarding Sino-Polish relations and the Tibet issue.

Jerzej Pomianowski, head of the Polish Foreign Ministry's Department for Affairs in Africa, Asia, Australia and Oceania, made the statement in an interview with reporters from XINHUA News Agency.

He said Poland would not interfere with China's internal affairs.

He denied that the recent visit to his country by the Dalai Lama was formal or that reports during the visit represented official views.

Pomianowski said China has played an important role in international relations. He praised China for having made great improvement in its economy in recent years.

Poland would further relations in every field with China, he added.

He said that Polish Deputy Prime Minister Henryk Goryszewski's visit to China at the end of this month would show his country's sincerity in developing relations with China in the areas of economy, trade, science and technology.

He said the visit would help toward resuming and furthering Sino-Polish trade and economic cooperation.

**Qian Qichen, Czech Counterpart Discuss Trade**  
AU2706145093 Prague RUDE PRAVO in Czech  
23 Jun 93 pp 1, 22

[Jiri Roskot report: "Imbalance in Czech-Chinese Trade"]

[Text] Beijing—Josef Zieleniec and Qian Qichen, Czech and Chinese foreign ministers, pointed to the imbalance in trade between the Czech Republic and China at their meeting in Beijing on Tuesday [22 June]. Two-thirds of its entire volume is made up of Chinese exports to the Czech Republic.

The talks were conducted in the spirit of understanding of the fact that relations between the Czech Republic and China have a principal and long-lasting importance, J. Zieleniec said after the meeting with his Chinese counterpart. Due to its size, China is a factor to consider, and this is why relations with Beijing must be a part and parcel of an overall concept of Czech foreign policy, he said. Qian Qichen stressed that for his country, the commercial component of mutual relations is very important.

The Czech minister said that on his own initiative, they exchanged their opinions on human rights. When asked by RUDE PRAVO, J. Zieleniec said that he did not speak about Tibet explicitly. Qian Qichen provided information on his ideas about how Hong Kong should be integrated into the Chinese economy after 1997, when Hong Kong will be put under Chinese administration. His idea is based on the analogy of economic zones, where only foreign policy and defense are controlled from Beijing.

J. Zieleniec mentioned the efforts of the Skoda Plzen factory to acquire a contract for expanding the power station at Chengdu—which was built with Czech participation—by two units of 500 megawatts each. The value of the contract would be about 12 billion Czech korunas. The Chinese minister invited some Czech entrepreneurs to an official dinner, which J. Zieleniec described as a nonstandard step.

J. Zieleniec said that he also mentioned the Czech Republic's intention to apply for a nonpermanent seat on the UN Security Council. A RUDE PRAVO reporter learned from sources close to the Chinese Foreign Ministry that China will support the candidate on which the regional group would agree—in the given case, this is a group of East European countries. Belarus is also considering its candidacy. China, as a permanent member of the UN Security Council, has no particular interest in supporting either Belarus or the Czech Republic.

Entrepreneurs who are accompanying the minister on his Asian trip met with leaders of the Chinese International Trade and Investment Corporation (CITIC), and with representatives of other Chinese firms.

Zieleniec arrived in Beijing from Delhi on Tuesday.

#### **Qian Qichen, Albania's Kopliku View Relations**

AU2706100093 Tirana ATA in English 0808 GMT  
26 Jun 93

[Text] Tirana, June 26 (ATA)—On June 24, the Albanian Deputy Prime Minister Bashkim Kopliku met with the deputy prime minister and foreign minister of China, Qian Qichen. Mr. Kopliku told of his impressions of the visit to China and dwelt on the possible cooperation with China.

The Chinese deputy prime minister spoke of the traditional relations and friendship with Albania and stressed that they should further develop in the future.

Mr. Kopliku handed over to him the letter Premier Meksi addressed to the Chinese Premier Li Peng. Also he conveyed the greetings of President Berisha for President Jiang Zemin. He also invited the Chinese deputy prime minister for a visit to Albania. He accepted the invitation with pleasure.

Following the official meetings and visits in Beijing, the Albanian Government delegation led by Mr. Kopliku visited other cities and areas of China, such as Tientsin, Kwangchow, and the economic area of Xhubai. Mr. Kopliku invited the Chinese specialists of different enterprises to visit Albania and closely observe the opportunities to develop cooperation and make investments.

## Political & Social

### Chen Yun Returns to Beijing To 'Restore Order'

HK2906025293 Hong Kong *SOUTH CHINA MORNING POST* in English 29 Jun 93 p 11

[By Willy Wo-lap Lam]

[Text] Factional struggles within the Communist Party have taken an intriguing turn with the return of conservative patriarch Chen Yun to the capital. And while the health of senior leader Deng Xiaoping has continued to hold up, he is said to be increasingly less able to counter the attacks launched by the party's leftist wing.

Chinese sources said Mr Chen, 88, returned to Beijing in late May to keep a closer eye on government efforts to "restore order" in the economy. "Chen returned to Beijing by special plane, accompanied by two doctors dispatched from the capital to ensure his well-being," a source said. "However, the fact that he was fit enough to travel has dispelled long-standing rumours that he is severely sick."

While Mr Chen has not commented publicly on the economy for almost a year, it is understood he has periodically briefed those close to him on maintaining economic order. Mr Chen is also believed to have given instructions on tightening control over ideology and the media. For example, the hard-line elder recently prevented a documentary on the Cultural Revolution from being aired on central television.

"The moral authority of Chen is such that his mere presence in Beijing might give a boost to planners who want to slow down the more radical elements of Deng Xiaoping's reforms," a Western diplomat said.

Analysts in Beijing said that, despite persistent rumours, Mr Deng's health was "reasonably good" for an 88-year-old. A diplomat claimed the frequent foreign trips made by his children was evidence his health was in no danger of sudden deterioration. For example, his artist daughter Deng Lin has been away for most of the spring and early summer for exhibitions in places such as Italy, Hong Kong and the US.

### Zhu Rongji Runs State Council Forum on 3 Gorges

#### Zhu 'Entrusted' by Li Peng

OW2906111493 Beijing *XINHUA Domestic Service* in Chinese 0854 GMT 29 Jun 93

[Text] Beijing, 29 Jun (XINHUA)—Entrusted by Premier Li Peng, Vice Premier Zhu Rongji presided over the sixth executive meeting of the State Council today. Participants at the meeting examined and adopted in principle the "Draft Migration Regulations of the Changjiang Three Gorges Project."

Participants in the meeting agreed that the Changjiang Three Gorges Project is a mammoth project whose

period of construction will extend into the next century and whose construction will displace over 1 million people. Work to resettle the displaced people will not only concern the personal interests of those displaced but will also affect environmental protection, the ecological balance, and social and economic development in the Three Gorges dam area. To do a good job in resettling the people displaced by the Changjiang Three Gorges Project, ensure the smooth progress of the project, and promote the comprehensive development of the economy in the Three Gorges area, it is necessary to formulate the "Draft Migration Regulations of the Changjiang Three Gorges Project."

The "Draft Migration Regulations of the Changjiang Three Gorges Project," which were examined and adopted at today's meeting, specifically stipulated that the state will pursue a development-minded migration policy when carrying out the Three Gorges Project and that relevant people's governments will organize work on and provide leadership over resettling the displaced people. Relevant people's governments will make overall planning for budget uses for emigration purposes. They will rationally develop resources, and, while basically stressing the development of agriculture, promote the development of industry and commerce at the same time through various channels. They will also adopt diverse methods to properly resettle displaced people so that their living standards after resettlement will remain the same or even exceed their previous levels, and they will create conditions for the long-term development of the economy in the Three Gorges dam area and for raising the living standard for those displaced people. The "Draft Regulations" provide specific stipulations regarding the administration of resettling displaced people, and over the areas that are to be flooded, over the resettlement areas, and regarding various preferential measures.

It was also decided at the meeting that the State Council will promulgate and put into force the "Draft Migration Regulations of the Changjiang Three Gorges Project" following the necessary revisions.

#### Council Agrees on Resettlement

OW2906120093 Beijing *XINHUA* in English 1129 GMT 29 Jun 93

[Text] Beijing, June 29 (XINHUA)—The Chinese State Council today agreed in principle to the draft regulations on resettlement from the Three Gorges Project construction site.

The draft rules were passed at the sixth routine meeting of the cabinet presided over by Vice Premier Zhu Rongji, who was entrusted by Premier Li Peng.

The participants pointed out that the Three Gorges Project on the Yangtze River is a huge, century-striding one which plans to relocate more than one million locals.

The resettlement will be related to the interests of the resettlers as well as environmental protection, biological balance and social and economic development in the area.

It is highly necessary to work out the regulations so as to ensure a smooth resettlement and construction on the project and to promote an all-round economic development in the area, they stressed.

According to the draft rules, the state will adopt the policy of development-oriented resettlement which will be directed by government departments concerned and the special funds for the purpose will be collected and used in a unitary way.

During the resettlement, local resources should be properly explored, centered on agricultural production and a combination of farming, industry and commerce, the regulations say.

The displaced should be resettled through multiple channels and industries so as to help them reach or surpass their existing living standards, the draft says.

Moreover, the regulations say, conditions should be created for long-term economic development in the area and enhancement of resettlers' living standards in the future.

The document also sets clear rules on resettlement, management of submerged areas and resettlement zones, as well as preferential policies concerned.

The meeting decided that the regulations will be issued and put into effect by the State Council after necessary revisions.

#### Railway Line Approved

OW2906114093 Beijing XINHUA in English 0802  
GMT 29 Jun 93

[Text] Chengdu, June 29 (XINHUA)—A plan to build a 150-km long railway line in the Three Gorges area has been approved by the central government, official sources said here today.

The line will run from Daxian County to Wanxian County, both in the eastern part of Sichuan Province.

It will cost 1.6 billion yuan and is expected to complete by the year 2000.

As part of the Three Gorges area development project, the line will greatly boost the construction of the planned huge dam and the development of the local economy, according to authorities.

They also hope that along with a deep water port which may be built when the Three Gorges dam is erected, the new line will lift the economy of the landlocked province.

**Central Bank Leaders 'Due for Transfers'**  
HK2906030293 Hong Kong SOUTH CHINA MORNING POST in English 29 Jun 93 p 11

[By Willy Wo-lap Lam]

[Text] A reshuffle of the leadership of the People's Bank of China is in the works, with both governor Li Guixian and vice-governor Chen Yuan reported to be due for transfers. And several senior officials in State Council units, including the State Science and Technology Commission (SSTC), will probably be censured for alleged mis-management and financial irregularities, according to Chinese sources.

The sources said Mr Li, 56, would likely be held responsible for economic problems, including the runaway money supply and Beijing's depleted control over regional finances. Latest reports said the Government had tried to force local administrations and state enterprises to pump back up to 100 billion yuan (HK\$134.9 billion) to central coffers.

Financial difficulties have been exacerbated by the large number of local-level banks that have committed huge investment to projects such as real estate. Mr Li is also believed to have to take the rap for failing to prevent local governments and enterprises from sucking up deposits, by offering interest rates that are three or four times those of official levels.

Political sources in Beijing said Mr Li had to some extent been made a scapegoat because until the economic problems surfaced in the spring, he had merely gone along with the overall policy of supporting fast-paced development. They said that late last year Mr Li had been prevented by top leaders, including patriarch Deng Xiaoping, from sounding the alarm on the overheated economy. An ally of Premier Li Peng, the Soviet-trained Mr Li was one of the relatively small number of ministers who repeatedly got a few hundred negative votes during confirmation balloting at the National People's Congress.

The sources added that Mr Chen, who is the son of conservative patriarch Chen Yun, might also have to take responsibility for the financial problems. However, because of his high-level connections, the 48-year-old economist would likely be compensated with a prestigious post.

Economic analysts in the capital said SSTC cadres might be in trouble because of scandals involving companies that were either its subsidiaries or had enjoyed its patronage. For example, the Chang-cheng Machinery and Electronics Scientific and Technological Industry Company, which was liquidated last February for allegedly "illegally raising funds", was set up with the support of senior SSTC officials.

Hong Kong newspapers have reported that commission vice-minister Li Xiao-shi, believed to be a protege of Premier Mr Li, had been detained for questioning over the Changcheng case.

### Zhu Rongji Said To Head Bank

HK2906103093 Hong Kong MING PAO in Chinese 29 Jun 93 p 2

[Report by special correspondent Chung Chih-ming (6945 1807 2494): "Li Guixian Was Made a Scapegoat and Has Tendered His Resignation; Zhu Rongji Has Concurrently Been in Charge of the People's Bank of China"]

[Text] Sources in Beijing disclosed that Zhu Rongji, member of the Standing Committee of the CPC Central Committee Political Bureau and executive vice premier of the State Council, will probably assume the concurrent governorship of the People's Bank of China [PBC]. Li Guixian, state councillor and incumbent PBC governor, handed in his resignation a few days ago. The State Council will, in a few days, convene an emergency meeting attended by persons in charge of various monetary institutions around the country to make arrangements for tackling the serious financial situation.

According to informed sources in Beijing, because of the severe financial problems nationwide, the conference of officials in charge of all specialized banks, provincial branches of the PBC, and all overseas establishments of the Bank of China, originally scheduled for 10 July, will be held around 5 July. The conference will, apart from reiterating state monetary discipline and appealing for resolute implementation of various monetary policies, discuss the replacement of Li Guixian, state councillor and incumbent PBC governor, and the high-level reshuffling in the PBC. The presidents of all overseas and domestic banking branches are now gathered in Beijing.

High-level authorities had planned to replace Li Guixian at the change of term of officials in charge of state organs at the National People's Congress session in March. But Premier Li Peng was firmly against it, so this motion was not adopted at the central high level. The central authorities agreed that Li Guixian may stay in this position for some time. However, what immediately followed was the sudden strain in the mainland's financial, especially monetary, situation. The CPC Central Committee Political Bureau held meetings in various places to discuss monetary issues and the fate of Li Guixian. The investigation teams sent by the State Council kept reporting serious problems in the mainland's banking industry. These problems indicated clearly that Li Guixian lacks the ability to lead the mainland's banking industry.

In the meantime, because of Li Guixian's conservatism, China's banking industry has missed many opportunities on the international monetary market. Beijing's high-level authorities believed that the monetary situation has seriously interfered with the nation's economic development, for which Li Guixian is responsible to a

large extent. Therefore, they decided that he be replaced ahead of schedule, by way of his own resignation.

At present, the affairs on the monetary front in China have been taken over by Zhu Rongji, Standing Committee member of the Political Bureau and executive vice premier of the State Council. After Li Guixian leaves the post, the high-level authorities of the CPC Central Committee plan to let Zhu Rongji hold the concurrent office of PBC governor until an appropriate candidate is found to succeed Li. At the moment, the third most widely tipped candidate is Zhou Zhengqing, now vice governor of the PBC. Zhou Zhengqing joined the PBC Head Office, together with Li Guixian, in 1989. Before that he had been president of the Beijing Municipal PBC Branch.

The Construction Bank [CB] and Industrial and Commercial Bank [ICB] are among the specialized banks in the Chinese Mainland suffering from losses and disorderly management. It has been confirmed that the CB's losses amount to over 5 billion yuan. The mode of development for commercialized banks proposed by the president of the ICB is now under organized criticism within the banking structure. Therefore, the ICB president will probably be replaced.

On another front, the PBC Head Office is prepared to intervene by an overall tightening of money supply, which will be firmly carried out in the second half of the year if the monetary situation goes further downhill. When that happens, a fair amount of capital construction projects will be sacrificed. Meanwhile, said an official concerned, there will be no major reform measures in the monetary sector in a bid to tide over the crisis in peace. However, the deposit interest rate and credit interest rate will be once again raised before the end of the year, by 2-5 percentage points, according to the plan.

The inflation in the mainland continues to deteriorate, reaching 35 percent in Beijing Municipality. The high-level authorities and some authoritative economists predict that the national inflation rate will probably reach 13 to 20 percent by the year's end.

This year, the money-issuing quota the PBC has received from the state is 350 billion yuan, but this only refers to the amount of 50-yuan and 100-yuan banknotes, and the PBC has its eye on the target of 500 billion yuan. Many banknote printing shops have been working overtime since the Spring Festival this year. Some of the shops which undertake the printing of 50-yuan bills have also begun printing 100-yuan bills.

### CPC Expels Henan Officials for Corruption

OW2906140993 Beijing XINHUA in English 1327  
GMT 29 Jun 93

[Text] Beijing, June 29 (XINHUA)—The Chinese Communist Party Central Commission for Discipline Inspection today issued a circular on the expulsion of three

senior officials in Henan Province from the party for embezzlement and taking bribes.

The commission asked all party members, particularly leading officials, to withstand the tests of China's emerging socialist market economy.

One of those expelled, Xu Zhonghe, 54, was a deputy party secretary and mayor of Ruzhou, in Henan Province.

An investigation revealed that since 1988, Xu has embezzled 15,000 yuan (about 2,630 U.S. dollars) in public funds and has taken bribes totaling 520,000 yuan. In addition, he accumulated property worth 168,000 yuan from sources he cannot now identify.

Xu also used government money to send his three children to school and build two houses for himself.

Fan Ganchao, 43, was a deputy general manager of the Pingdingshan City Coal Industry Corporation and director of the Liyuan Mining Administration.

An investigation showed that since 1987, Fan has embezzled 167,000 yuan in public money, taken 56,000 yuan in bribes, misappropriated 221,000 yuan in public funds and offered 302,000 yuan in bribes. In addition, Fan cannot explain how property worth 78,000 yuan came into his possession.

Wang Naibin, 56, was a vice mayor and standing committee member of the Pingdingshan city party committee.

An investigation showed that since 1988, Wang has embezzled 16,000 yuan in public money and taken 26,000 yuan in bribes.

All three corrupt officials have been arrested.

The Central Commission for Discipline Inspection stated in the circular that the creation of a market economy in China will inevitably produce some negative effects.

Therefore, all party members, especially leading officials, must oppose money worship, pleasure seeking and ultra-individualism, and should wage a resolute struggle against all forms of corruption.

The circular said that the crackdown on officials violating laws and party discipline is an important measure to effectively run the affairs of the party and eliminate corruption.

#### Election of New Leaders at Provincial Level

OW2806112193 Beijing XINHUA Domestic Service in Chinese 2147 GMT 26 Jun 93

[By reporter Chen Yan (7115 7159); Beijing XINHUA Domestic Service in Chinese at 0859 GMT on 27 June

carries a service message requesting all newspapers to temporarily withhold publication of this item; it offers no explanation]

[Text] Beijing, 26 Jun (XINHUA)—This reporter has learned from the Organization Department of the CPC Central Committee that the reelections for the leading groups of people's congresses, governments, and committees of the Chinese People's Political Consultative Conference (CPPCC) in 30 provinces, autonomous regions, and municipalities directly under the jurisdiction of the central authorities were successfully completed recently. Altogether 271 people were elected as chairman or vice chairman of various people's congresses; 226 people were elected governor, vice governor, chairman, vice chairman, mayor, or vice mayor; and 342 people were elected chairman or vice chairman of the CPPCC committees of various provinces, autonomous regions, and municipalities.

This year, in accordance with the stipulations of the Constitution, the Local Organization Law, and the charter of the CPPCC, leading members of the people's congresses and governments at five levels ranging from central authorities to townships, and of CPPCC committees at the county-level or above, were all reelected. This is the first time that reshuffling of the five-level leading bodies has been conducted in the same year since the founding of New China.

In order to give full play to socialist democracy, work strictly in accordance with the law, ensure the smooth operation of the elections, and to elect a number of leading bodies which are recognized by the masses for outstanding political performance and being able to lead the people in embarking on the cause of building socialism with Chinese characteristics, the party Central Committee last year issued a circular calling on various localities to do an effective job in reelecting leading groups at various levels. The National People's Congress (NPC), the CPPCC National Committee, and the concerned departments of the central authorities have strengthened leadership over election work. Party committees in various provinces, autonomous regions, and municipalities have adhered to the policy of appointing cadres "who are more revolutionary, younger in average age, better educated, and professionally more competent" and the principle of appointing cadres who have both ability and political integrity; followed the mass line; gone through repeated deliberations and consultations; consulted extensively with various circles; and recommended candidates to state organs and CPPCC committees responsibly and earnestly. The broad masses of the people have taken part in the election with great political enthusiasm. More than 800 million constituents have actively exercised their democratic rights [lu xing le zi ji de min zhu quan li 1462 5887 0055 5261 1569 4104 3046 0031 2938 0448] and elected a total of more than 3.6 million people's deputies and more than 400,000 members of the CPPCC committees at various levels. The people's congresses and the CPPCC committees of

various provinces, autonomous regions, and municipalities have conscientiously followed procedures in related laws and regulations and fully respected the democratic rights of people's deputies and members of the CPPCC committees. In the election of government leaders, the deputies of people's congresses have jointly nominated candidates in accordance with the law. People's deputies and members of the CPPCC committees have seriously and prudently fulfilled their duties and played a positive role in the reelection.

The results of the election have shown a relatively good unity of opinion among party committees, people's deputies, and members of the CPPCC committees. Among the candidates who have been elected members of leading bodies of people's congresses, heads of government leading organs, heads of people's courts, and people's procuratorates at the provincial level, 99 percent were nominated by the CPC committees. All the newly elected chairmen and vice chairmen of the CPPCC committees at the provincial level were nominated by the CPC in consultation with other democratic parties.

The newly elected leading groups at the provincial level are younger in average age compared with previous ones. A large number of outstanding young cadres have been elected into leading government groups. The average age of the new leading groups is 52, four years younger than the previous leading groups. One-third of the leaders are under the age of 50, some are under 45 years old, and the age structure is basically reasonable. The youngest governor is a 48-year-old, and the youngest vice governor is 37. The age structure of members of leading bodies of people's congresses and the CPPCC committees has also been significantly improved. Those under 60 years of age account for 56 percent of the members in people's congresses and 36 percent of those in CPPCC committees. More than 400 older veteran comrades have retired from leading posts at the provincial government level in consideration of the interests of the state and the people.

The overall quality of new leading groups has also been improved. Most of those newly elected to government posts had earlier assumed leading posts in various prefectures, cities, departments, and bureaus and have leadership experience and knowledge of economic work. They have made prominent achievements in implementing the party's basic line. Among the members of the new leading groups, 96 percent received college-level education. There are 16 women cadres and 18 democratic people in the new leading groups, more than the number in previous leading groups. Through the reelection, the government's ability to lead economic construction and other work has been strengthened. Many new cadres in the people's congresses are familiar with legislative work. The CPPCC committees also have more people who can represent various circles and can thus give full play to their role.

According to reactions in various localities, the newly elected leading groups are generally supported by the broad masses of the people. The newly elected people are

working hard, in a solid manner, and with a new mental outlook in order to live up to the great trust of the people and implement various tasks set by the 14th CPC National Congress in an all-around way.

#### Dissident Painter Returns After Exile in France

HK2906091093 Hong Kong AFP in English 0853 GMT  
29 Jun 93

[Text] Beijing, June 29 (AFP)—China allowed a prominent exiled dissident to return from France on Tuesday [29 June], but only after he pledged not to engage in any political activities, informed sources said.

Fan Zeng, one of China's most famous artists, ended more than 2-1/2 years in self-imposed exile in Paris when he landed at the Beijing International Airport in the early morning, the sources said.

The 55-year-old painter, sometimes referred to as "China's Picasso," was met on the airport tarmac by a car that whisked him away to Nankai University in Tianjin, 150 kilometers (90 miles) from the capital. Reporters from official Chinese news organizations were on hand for Fan's arrival, but were barred from interviewing him.

Fan was the second leading exiled dissident permitted to return to China since the 1989 Tiananmen Square crackdown. Dissident journalist Dai Qing came back in February, but was prevented from resuming work at an official daily.

The two were both closely linked to the Communist government here, and it remains to be seen if the authorities will honor a pledge to accept the return of more radical activists, several of whom have recently been denied entry.

Fan was taken directly to Nankai University, where he was formerly director of the Oriental Art Department, a department member said by telephone. "He came back to concentrate on painting. He does not want to be involved in anything else," the member said.

Fan fled to Paris in October 1990 after attending an exhibition of his work in Singapore with his long-time companion Nan Li. He said at the time he wanted to "seek freedom of expression and creativity."

While in exile, he spoke critically of the Communist authorities, especially during a visit to Taiwan, Beijing's long-time rival.

Fan was vilified as a traitor by the official Chinese media after his departure. He was also alleged to have contributed 50,000 yuan (8,700 dollars) to the 1989 pro-democracy movement.

The painter also returned to finalize divorce proceedings with his wife, Bian Baohua, the sources said. He received assurances from the Chinese Embassy in Paris that he would not be punished upon his return, they said.

In return, he agreed not to engage in activities challenging the government. Fan was a member of the Chinese People's Political Consultative Conference, an official organ that advises the Communist Party.

He is one of the country's most well-known artists, having exhibited his works in the United States, Europe and Japan. He specializes in the traditional artistic disciplines of "pure line drawing" and "splashed ink."

Fan was friends with many leaders of the 1989 movement, including exiled astrophysicist Fang Lizhi and Yan Jiaqi, a leader of the exiled movement.

### Tibetan Justice Official Discusses Order, Rights

OW2806114293 Lhasa XIZANG RIBAO in Chinese  
6 Jun 93 pp 1, 3

[Article by Gyaqu, director of the Tibet Autonomous Region Justice Department: "Enhance Awareness of the Legal System and Maintain Stability and Unity"]

[Text] The law is part of the superstructure built on a given social and economic foundation and embodies the ruling class's will and fundamental interests. Thus, the socialist legal system, as part of our country's superstructure, is an effective means of safeguarding the socialist system, the people's democratic dictatorship, and the implementation of reform and opening policies; of maintaining national unification and unity; of opposing separatism; and of ensuring the common prosperity of all nationalities throughout the country.

Ours is a country under the people's democratic dictatorship, and the people enjoy extensive democracy. Our Constitution explicitly stipulates that citizens enjoy freedom of speech, of the press, of assembly, of association, of procession, and of demonstration. In society, however, some people trample on laws and regulations and use some of the masses' lack of knowledge of the law to encroach on the interests of the state, society, and collectives and to undermine social stability and unity. The Standing Committee of the Seventh National People's Congress adopted and promulgated the "Law of the People's Republic of China Governing Assembly, Procession, and Demonstration" with a view to implementing effectively and accurately the principles set in the Constitution, guaranteeing citizens' rights, and standardizing the conduct of citizens while exercising their right to assemble, hold processions, or demonstrate. Bringing assembly, procession, and demonstration under the legal system, the law is designed to crack down on criminal activities undermining social stability and unity and disrupting public order. To safeguard the unification of the motherland, strengthen national unity, oppose separatism, and consolidate and develop the political situation of stability and unity in the region, the Standing Committee of the Fifth Tibet Autonomous Regional People's Congress on 15 May 1990 adopted the "Measures for Implementing the Law of the People's Republic of China Governing Assembly, Procession, and

Demonstration" according to local conditions and also approved Lhasa's measures for enforcing the same law.

In addition to setting explicit rules on applying for, approval of, and staging of assemblies, processions, or demonstrations, these measures also stipulate liabilities for violators of the law. So the measures protect lawful conduct and restrict illegal acts. These measures guarantee the right of citizens of various nationalities to hold an assembly, procession, or demonstration in the region and represent the code of conduct they must observe.

Our Constitution stipulates: "All acts in violation of the Constitution and the law must be investigated." "No organization or individual may enjoy the privilege of being above the constitution and the law." "The state maintains public order and suppresses treasonable and other counterrevolutionary activities; it penalizes actions that endanger public security and disrupt the socialist economy and other criminal activities, and punishes and reforms criminals." The criminal law provides: Acts of "those at home and abroad who collude with one another in plotting to harm the sovereignty, territorial integrity, and security of the motherland, to subvert the government or dismember the state, and to incite the masses to resist or to sabotage the implementation of the state's laws or decrees" are acts in violation of the criminal law, which must be investigated for legal liability.

The "Law of the People's Republic of China Governing Assembly, Procession, and Demonstration," and the measures for its implementation specifically embody the relevant provisions of the Constitution and the law. All acts in violation of the "Law Governing Assembly, Procession, and Demonstration" and the measures for its implementation must be investigated and punished according to the law. The autonomous region's measures for implementing the "Law Governing Assembly, Procession, and Demonstration" clearly stipulate: "In exercising their right of assembly, procession, or demonstration, citizens must abide by the Constitution and the law, must not violate the basic principles set in the Constitution, and must not harm the interests of the state, society, and collectives and the legitimate freedoms and rights of other citizens. No one is allowed to take advantage of religious and other activities to start or organize an assembly, procession, or demonstration endangering national unification and unity and social stability." These measures also provide: "Public security organs in the autonomous region are the organs in charge of assembly, procession, and demonstration." "To hold an assembly, procession, or demonstration, citizens must have someone responsible for it. The responsible person must apply to the competent authorities for approval according to law five days before holding an assembly, procession, or demonstration; while doing so, the responsible person must show his identification card. Specified on the application form should be the purpose,

form, and slogans of an assembly, procession, or demonstration as well as the number of its possible participants, vehicles, the types and amount of audio equipment to be used, the duration, the sites (including the assembly and dispersion places), the route, the number of people to maintain order, and the name, occupation, unit, and address of the responsible person." These measures also stipulate: "Without approval from the city administrative office or the city people's government, no assembly, procession, or demonstration is allowed to be held within 10 to 300 meters from the periphery of 1) hotels where state guests stay, 2) major military facilities, 3) places for important religious activities, 4) places for storing important materials, and 5) airports."

After obtaining approval in accordance with law from competent authorities, citizens should proceed in accordance with objectives, procedures, placards, slogans, start and finish times, places, routes, and other matters approved. They shall not violate regulations governing public order, engage in criminal activities, or abet the use—or resort to the use of—violence. They shall not disrupt traffic, damage public facilities, and so forth. An assembly, parade, or demonstration that is not approved, or is not carried as approved, constitutes a violation of the law and people's policemen at the scene have the authority to order it dispersed. They may also take coercive measures in accordance with law to deal with the situation. As for those who refuse to obey police orders, public security authorities may forcibly remove them from the scene or put them under detention. The above-mentioned unlawful acts that seriously disrupt public order, sabotage national unity, harm the interests of the state, society, and collectives, and constitute a criminal offense should be severely punished in accordance with the law.

Social progress, economic development, and improvement of living standards all depend on a stable and unified social environment. Countless facts have shown that without a stable social environment, we would not be able to achieve anything. In the 15 years of reform and opening up, our region has achieved remarkable economic progress. Such progress is inseparable from the social and political stability the region has enjoyed. Here I would solemnly announce: If there are people out there who are trying to attain ulterior motives through the disruption of public order, people of all nationalities in our region will never allow it to happen, and they will never pull off their plot. Rather, they will be exposed for what they are by the mighty force of justice and will not come to a good end.

#### NPC Standing Committee on Finances, Agriculture

##### 'Record' Budget Deficit

OW2806091793 Beijing XINHUA in English 0802  
GMT 28 Jun 93

[Text] Beijing, June 28 (XINHUA)—Chinese legislators were told today that the budget deficit for 1992 was a record 23.663 billion yuan.

They got the news from the Minister of Finance, Liu Zhongli, at a plenary session of the Standing Committee of the National People's Congress [NPC] while reviewing the 1992 final state accounts.

Liu Zhongli said that China's national economy enjoyed high growth last year. The soaring demand for funds resulted in a deficit 2.877 billion yuan more than estimated, finishing at a record of 23.663 billion yuan.

The Minister of Agriculture, Liu Jiang, reported to the legislators on the rural situation. "The overall situation of agriculture and the rural economy is good, with a possible bumper summer harvest," Liu said.

He pointed out that some problems still exist, which should not be neglected. He listed them as too heavy a financial burden on peasants, the weakness of macro-control and poor social services.

The secretary general of the NPC Standing Committee, Cao Zhi, explained to the legislators key work areas for the Standing Committee of the Eighth NPC.

According to Cao, China is going to formulate 64 economic laws in the next two years.

The draft regulations for members of the NPC Standing Committee, and the draft namelist of members of its Credentials Examination Committee were also submitted to the legislators.

#### 1992 Deficit Exceeded Plan

OW2806145393 Beijing XINHUA in English 1346  
GMT 28 Jun 93

[Text] Beijing, June 28 (XINHUA)—China's financial deficit exceeded the budgeted figure by 2.877 billion yuan in 1992 to reach 23.66 billion yuan.

In reporting the final state account to the ongoing plenary session of the NPC [National People's Congress] Standing Committee here today, Finance Minister Liu Zhongli said the expanded deficit was due to high-speed economic growth.

In 1992, the economic growth rate was recorded as rising by 12 percent for the whole year.

The final state account for 1992 shows that the state received 415.35 billion yuan in revenue, or 106.2 percent of the budgetary plan; the expenditure amounted to 438.96 billion yuan, 106.5 percent of the budgetary plan.

The domestic income for 1992 in fact increased by 9.2 percent over the previous year.

Despite the cash shortage, said Liu Zhongli, the state last year put more money into sectors like agriculture, energy, transport and science and education.

The state-allocated funds for agriculture, education and science were respectively 10.5, 18.3 and 15.1 percent more in 1992 than in the previous year, said Liu.

The finance minister said the deficit outside the budget for 1992 arose from the deficits in localities.

As a rule, it is asked in China that local financial books maintain a balance between revenue and expenditure.

Apart from more money needed for faster economic growth, Liu said, the great increase in expenditures was due to overlapping government organizations and unbridled institutional spending.

Extravagance and waste were other factors behind the overexpenditure, according to Liu.

However, he said, the real cause of the increased financial deficit lay with the present financial system, which apparently could hardly gear up to the changing economic mode.

He warned that the regulatory role the state Finance Ministry plays in fine-tuning the macro-economy is getting weaker during the transition period between the two economic modes.

#### Members on Financial System

OW2906140593 Beijing XINHUA in English 1319  
GMT 29 Jun 93

[Text] Beijing, June 29 (XINHUA)—Legislators meeting here have called on the central government to take strong measures to guarantee the smooth operation of the national economy.

Top Chinese legislators, who are currently attending a session of the Standing Committee of the National People's Congress (NPC), want to formulate a package of plans on reforming the financial system to bring it in line with China's emerging market economy.

An official reckoning of state finances in 1992 indicates that the country has a serious financial problem to be handled.

The legislators outlined a series of measures to remedy current financial difficulties after deliberating the 1992 state budget, which was reviewed by minister of finance, Liu Zhongli, on Monday [28 June].

Member Cai Cheng said that poor financial management and weak controls on banks are two of the major reasons for the country's present financial problems. The practices of some local banks have even interfered with state finances, said the former minister of justice.

"Another reason is that the financial system has not been reformed to suit the market economy," Cai added.

Some legislators pointed out that swollen government institutions have become a heavy burden on the state coffers. Inadequately trained staff in the departments of finance and tax collection has made the issuance of loans and tax collection inefficient.

Waste and random construction have also swallowed a great deal of money, according to the legislators.

Member Hu Min pointed out macro-adjustment of finances should be undertaken before rather than after problems occur.

He asked the NPC to make the supervision of finance a top priority this year.

Quite a number of legislators proposed the formulation of a budget law as soon as possible so that financial problems can be solved through legal means.

Member Liu Suinian said that state revenues are not controlled tightly enough. The finance department should find new sources of revenues and government institutions should be streamlined, the economist added.

Last year, China's total revenues reached 415.305 billion yuan and total outlays climbed to 438.968 billion yuan, with a record deficit of 23.663 billion yuan.

#### Members Discuss Agriculture Law

OW2806121493 Beijing XINHUA Domestic Service in Chinese 1045 GMT 22 Jun 93

[Text] Beijing, 22 Jun (XINHUA)—While delivering a report at the Second Session of the Eighth National People's Congress [NPC] Standing Committee today on the examination results of the Draft Agricultural Law, Xiang Chunyi, vice chairman of the NPC Law Committee, said that the formulation of the agricultural basic law is necessary and that the draft law is basically practical. Members of the law committee also presented their views on the revision of the draft law.

Xiang Chunyi noted a clause in the draft law with the following stipulations: "No organization or individual is allowed to impose any form of quota on or illegally collect funds in the name of fund-raising, or collect fees from farmers or from agricultural collective economic organizations. Farmers and agricultural collective economic organizations have the right to reject any form of quotas, illegal fund-raising, and fee collection." Some committee members and people from localities called for the enactment of a law that would specifically define the terms: imposition of quotas, illegal fund-raising, and fee-collection. They also called for formulating stipulations to deal with the problem of imposing illegal fines. Therefore, they proposed the revision of this clause as follows: First, "regarding collecting fees from farmers or agricultural production and operation organizations to run public affairs, government organs must base their fee-collection on laws, regulations, or on the stipulations of rules worked out by the provincial-level governments, and they must publicize the scope and standards for collecting fees. Farmers or agricultural production and operation organizations have the right to refuse to pay fees demanded by government organs to run public affairs if the demand for fees is not based on laws,

regulations, or on the stipulations of rules of the provincial-level governments." "Organs must invoke laws, regulations, or stipulations of rules devised by provincial-level governments to impose fines on farmers or on agricultural production and operating organizations as a form of punishment. Farmers or agricultural production and operating organizations have the right to refuse to pay a fine if the imposition of the fine is not based on laws, regulations, or on the stipulations of provincial-level government rules." "No government organ or unit is allowed to impose any form of quota on farmers or on agricultural production and operation organizations. Unless otherwise stipulated by laws and regulations, the act of government organs and units demanding farmers or agricultural production and operation organizations to provide manpower, financial resources, material resources, in any form, constitutes an imposition of quotas. Farmers or agricultural production and operation organizations have the right to reject any form of quotas." Second, "when collecting funds from farmers and from agricultural production and operation organizations, the principle of voluntary contribution must be observed; there must not be coercive fund collection. If any government organ and unit collects funds in a coercive manner, farmers and agricultural production and operation organizations have the right to reject them."

Xiang Chunyi said some committee members and people from localities proposed that a stipulation in the draft law which says that procurement units should "pay the purchase cost" to the production and operation organizations or farmers that sell the agricultural products should be revised, because they said that the term "pay the purchase cost" might be interpreted by some as issuing IOU's first and making payments later. Therefore, they suggested the following revision: "People's governments at the county-level or above should organize finance, grain, supply and marketing, and other relevant departments and units to prepare a sufficient amount of procurement funds for agricultural products; units and individuals must not divert the procurement funds." "At procurement time, farm produce procurement units must pay in full the cost of purchases to agricultural production and operating organizations or to farmers who sell agricultural products." They also suggested the addition of the following stipulation: "When procuring agricultural products, agricultural procurement units must not downgrade the grade of farm produce and deflate farm produce prices; they must not deduct any charges from the payment. Taxes that should be deducted and collected as stipulated by laws and administrative regulations should be handled according to the stipulations."

Xiang Chunyi said: Some members and localities pointed out that it was not pertinent to link the extent of increase of total agricultural input with the extent of increase of total investment of the national economy. Therefore, it is suggested that "the total investment of the national economy" be revised as "the recurrent income of state revenue."

Xiang Chunyi said: Some members and localities noted that at present the difference between industrial and agricultural prices has become quite serious, and the situation has adversely influenced peasants' enthusiasm for production. This law should stipulate a reasonable price ratio of agricultural means of production and agricultural products. Therefore, it is suggested that the following stipulations be included in the draft law: "The state should adopt macro control measures to maintain a reasonable price ratio between the main agricultural means of production, such as chemical fertilizers, pesticides, plastic sheeting for agricultural use, farm machinery and diesel oil for agricultural use, and agricultural products."

Xiang Chunyi said: Some members and localities suggested that punishment should be stipulated in the law against those units that wantonly collect fees from peasants, illegally levy fines, wantonly apportion obligations among peasants, or use agricultural funds for other purposes without proper authorization. Therefore, it is suggested that the following be included in the draft law: "The higher level organizations should stop and make public the behavior of those units that violate the stipulations of Article 17 and Article 18 of this law and collect fees, levy fines, apportion obligations, or forcibly raise funds among peasants. Higher level organizations should order those units which have already collected money or used peasants' labor or supplies to return the amount of money or the equivalent amount of money for the use of peasants' labor or supplies. In serious cases, those public functionaries directly responsible for such behavior shall be disciplined by the higher organization or the unit to which those persons belong." "Any unit that violates the stipulations of item two of Article 46 of this law and uses agricultural funds appropriated by people's governments at various levels for nonagricultural purposes shall be ordered by their higher organization to return the same amount of funds. In serious cases, those who are directly responsible for such behavior shall be disciplined by a higher organization or by units to which they belong."

In conclusion, Xiang Chunyi said: Concerning the name of this law, the State Council's agricultural basic law was originally to be examined and decided by the NPC Standing Committee and then be submitted to the First Session of the Eighth NPC for deliberation and approval. If the name of this law is the "Agricultural Basic Law," it must be deliberated on and approved by the Second Session of the Eighth NPC in spring next year in accordance with the PRC Constitution, which states the enactment and revision of criminal, civil, state organization, and other basic laws are under NPC jurisdiction. Because this law should be enacted as quickly as possible, it is therefore suggested that the name "Agricultural Basic Law" be changed to "Agricultural Law" and be examined and approved by the NPC Standing Committee.

**Agriculture Minister on Harvest**

OW2806133293 Beijing XINHUA in English 0931  
GMT 28 Jun 93

[Text] Beijing, June 28 (XINHUA)—China's Agriculture Minister today described the rural economic situation as on the whole "good," featured by a good summer harvest of grain, a steady increase in the production of other farm and sideline products and a continuous development of rural industries.

Speaking at the on-going second meeting of the Standing Committee of the Eighth National People's Congress (NPC), Liu Jiang said that China is expecting a summer harvest as good as that in 1992 which was a bumper year.

He was briefing the session on the current situation in the countryside. Chairman Qiao Shi of the NPC Standing Committee, attended today's meeting which was presided over by NPC Vice-Chairman Tian Jiyun.

Liu told the legislators that work has been continuing on what is called the "vegetables-basket project" designed to ensure the supply of non-staple foods to urban residents.

As a result the country's output of meat in the first five months of the year was up four percent over the same period of 1992. Meanwhile, dairying showed a three percent rise, egg production five percent and aquatic products 5.3 per cent.

In the January-may period, said the minister, industrial enterprises run by rural collectives yielded 554 billion yuan in output value, 72 percent more than in the same period of last year. The profits and taxes turned in by these enterprises amounted to 46 billion yuan, a 68 percent rise.

However, the minister said, some problems exist, such as the excess financial burden on farmers, slow growth in agricultural input, inadequate services for agricultural production and the neglect of agriculture in some localities.

Liu noted that the Chinese Communist Party Central Committee and the State Council have, since last December, called a series of meetings on ways of overcoming outstanding problems to ensure steady agricultural development and the expansion of the rural economy as a whole.

At the same time, he said, the central authorities have worked out policy measures to relieve peasants of excess burdens and to increase their incomes.

The central authorities have also called for accelerating the development of production bases for grain, oil-bearing and sugar-bearing crops and cotton, and the restructuring of the agricultural economy to make it better suited to the market needs while ensuring a stable increase in grain and cotton output.

The state, for its part, is increasing grain reserves and funds for grain pricing.

Meanwhile, the National People's Congress is stepping up the deliberation of the agricultural basic law and the law on improving agricultural techniques, according to Liu.

**Jiang Zemin, Leaders Meet Commended Youth**

OW2906115693 Beijing XINHUA in English 0826  
GMT 29 Jun 93

[Text] Beijing, June 29 (XINHUA)—Chinese party and state leaders Jiang Zemin, Li Ruihuan and Zhu Rongji met here today with representatives of collectives and individuals of outstanding youth.

These collectives and individuals were commended by the Central Committee of the Chinese Communist Youth League and the State Nationalities Affairs Commission.

Since last September, they have chosen some 40 advanced youth collectives and 150 outstanding young people nationwide that have contributed a lot to local economic development and the unity among different nationalities.

Present on the occasion today were Vice-Chairman of the National People's Congress Pagbalha Geleg Namgyai, State Councillor Ismail Amat, and Vice-Chairman of the National Committee of the Chinese People's Political Consultative Conference Ngapoi Ngawang Jigme.

**Ding Guangen on Propaganda, Ideological Work**

OW2806132093 Beijing XINHUA Domestic Service in Chinese 1608 GMT 25 Jun 93

[Text] Nanjing, 25 Jun (XINHUA)—The CPC Central Committee Propaganda Department held a forum on propaganda and ideological work in Nanjing from 21-25 June. Discussions at the forum centered on the issue of strengthening and improving propaganda and ideological work in the new situation to better serve reform, opening up, economic construction, and the establishment of a socialist market economy.

Among those who attended the forum were the directors of provincial and municipal propaganda departments in Jiangsu, Shanghai, Tianjin, Fujian, Shaanxi, Liaoning, Hubei, Guangdong, and Hebei; responsible comrades from the Jiangsu Provincial Party Committee; and responsible comrades from RENMIN RIBAO, the XINHUA NEWS AGENCY, the Central People's Broadcasting Station, the China Central Television Station, JINGJI RIBAO, and GUANGMING RIBAO. Ding Guangen, member of the Political Bureau and Secretariat of the CPC Central Committee and director of the Propaganda Department of the CPC Central Committee, presided over the forum and held discussions with the participants. At the forum, participants

closely integrated theory with practice, thought deeply, spoke freely, and offered many good suggestions on how to do a better job in propaganda and ideological work and how to nurture public opinion that is favorable to reform and construction.

In his speech, Ding Guangen stressed: People on the propaganda and ideological front should conscientiously study and implement the general guidelines on present work set forth by the CPC Central Committee and publicize them widely and accurately among the broad ranks of cadres and people. He pointed out: We must take Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the fundamental guiding principle for propaganda and ideological work, arm the whole party with this theory, uphold the party's basic line without wavering for 100 years, and stress the importance of spiritual civilization. All departments on the propaganda and ideological front must firmly foster awareness about the need to serve the central task of economic construction, must accurately determine the areas in which to concentrate their efforts, and must bring into full play their strong points in theoretical study, press publication, literary and art propaganda, and ideological work, with the aim of providing a strong spiritual driving force, intellectual support, and ideological guarantees for creating public opinion that is favorable to reform and construction.

Ding Guangen said: In keeping with the development of the new situation, leading cadres and workers in propaganda departments at all levels should carefully review their experiences and inherit and carry forward our party's fine traditions in propaganda and ideological work. Moreover, we should seriously study, explore, and acquire new experiences and methods in light of the new situation. In conducting propaganda and ideological work, we must follow the path of reform and opening up and make great efforts to merge the scientific and artistic qualities of our work methods. Science represents reason, while art gives expression to compassion. We should combine them into one, and be both rational and compassionate in order to satisfy the people.

Ding Guangen said: At present, we face excellent opportunities and bright prospects in propaganda and ideological work. He hoped that comrades on the propaganda and ideological front would unite closely around the party's central committee with Comrade Jiang Zemin as the core, emancipate their minds, seek truth from facts, go into the midst of reality and among the masses, advance bravely in unity, do solid work, and consolidate and expand the current favorable situation by carrying out more effective work to promote sound and rapid development in reform, opening up, and economic construction.

**'Roundup' on Coastal, Interior Cooperation**  
OW2806100793 Beijing XINHUA in English 0737  
GMT 28 Jun 93

["Roundup"]

[Text] Hefei, June 28 (XINHUA)—China is stressing economic cooperation between its eastern coastal areas and the central and west regions.

"It is impossible for the east to keep up its fast economic development if the central and west parts of the country remain stagnant," said Li Ruihuan, a standing committee member of the Chinese Communist Party's Politburo, during his recent inspection of Anhui Province.

The west consists of Sichuan, Guizhou, Yunnan, Shaanxi, Qinghai and Gansu Provinces and Guangxi, Tibet, Ningxia, Xinjiang and Inner Mongolia Autonomous Regions, and the central part comprises Anhui, Jiangxi, Shanxi, Henan, Hubei and Hunan Provinces.

The central and west provinces cover 89 percent of China's territory and are home to 64 percent of the population. With more than 20,000 kilometers of border, these areas have major coal, oil, natural gas, iron, copper and other natural resources.

The east coastal areas, including economically-developed Guangdong, Jiangsu and Shanghai, are comparatively advanced in technology and management.

According to Jiang Zemin, the party general secretary and the Chinese president, the central and west parts have undergone great changes during the nationwide reform and opening to the outside world. However, there is still big gap between them and the eastern parts resulting from geographic and historic reasons.

Professor Fei Xiaotong, a noted sociologist, believes that the establishment of the market economy will stimulate east, central and west cooperation and the national economy as a whole.

Chen Huanyou, governor of Jiangsu Province which is short of natural resources, says that "To develop the economy quickly, the east must seek follow-up strength from the central and west parts."

He notes that his province has already established economic and cooperative relations with the Xinjiang Uygur Autonomous Region and Gansu and Shaanxi Provinces.

It has sent talented people, advanced technology and equipment and market information to these areas and cooperated in setting up enterprises using local resources.

Economists agree that China's economic boom is spreading from the east to the west as a result of economic cooperation.

Serving as a bridge between the east and the west in economic development, Anhui Province concluded contracts for more than 3,000 economic and technical cooperative projects with provinces and regions in both the east and the west last year.

According to statistics, Anhui's economic growth last year was 4.7 percentage points higher than the national average. It ranked 14th in the country.

Mutual benefit has been a principle guiding east-west cooperation.

A survey shows that Xinjiang, Gansu and Guizhou in the west profited from cooperation with the eastern coastal areas.

The multi-national Xinjiang concluded more than 4,000 contracts and absorbed one billion yuan in capital from provinces and cities in the coastal areas.

"These projects have helped the region to generate an additional 200 million yuan in taxation and profits," a regional official said.

By introducing advanced technology and management from the east, the region is able to take full advantage of its local natural resources of wool, chemicals and non-ferrous metals.

Gansu Province sent more than 300 people to east China's Zhejiang and Fujian Provinces to learn management expertise and introduce cooperative projects. When they returned home, they brought with them not only advanced management techniques but also 107 projects involving 50 million yuan thus helping promote the local economy.

The provincial government of Guizhou, a province in the southwest, has decided on further expansion in the coastal areas tapping its natural resources and enhancing its self-development capacity.

According to the State Planning Commission, provinces and regions in southwest China are joining with Guangdong and Hainan Provinces to compete in the south Asian and Southeast Asian markets. Provinces along the Yangtze River valley are boosting their export-oriented economies with Shanghai as the leader. Northwest China has decided to make full use of the Eurasian continental bridge to boost trade on the central Asian market and expand economic cooperation with neighboring countries.

"The successful cooperation between the east and the west has narrowed the gap in economic development," Yang Jike, a noted sociologist, said. "However, it will take time to fundamentally eliminate the distance."

He stressed that to jointly develop toward prosperity is the basic national policy, which will remain unchanged.

#### Commentary on Pioneering Spirit, Part Seven

HK2806111493 Beijing GUANGMING RIBAO in Chinese 17 Jun 93 p 1

[Commentator's article: "Hardworking and Thrifty, Honest and Upright—Seventh Discussion on Carrying

Forward the Great Pioneering Spirit of the New Period"; Part Six was published in the 23 June China DAILY REPORT, pages 21-23]

[Text] Diligence and frugality are the traditional virtues of the Chinese nation, and clean administration is the fine style of the Chinese communists. It will be of great significance for leading cadres at all levels to uphold the great pioneering practice in the new period, carrying forward the traditional virtue and fine style and turning them into the moral integrity of every builder.

"Success derives from diligence and frugality, while failure from extravagance," and "corruption and waste constitute the greatest crime," the mottoes known to everyone, tell the truth: Diligence and frugality are the premise for all undertakings. Similarly, it is the premise for the Chinese people to attain the four modernizations and realize the three-step strategic objective put forward by Comrade Deng Xiaoping. The Chinese people have the tradition of "being industrious and thrifty in managing a household." The "household" here may refer to "a family," "everybody," or "the country." Numerous facts in modern history have proven that it will be impossible for a country and nation to change from poor to prosperous and from backward to advanced without the virtue of diligence and frugality, the spirit of plain living and hard struggle, and working in a down-to-earth manner.

The foundation of our country is not yet solid, and the level of the people's overall living standards is not high. We should also not forget that some localities and people in both urban and rural areas are still in strait circumstances. Under such conditions, there is no reason whatsoever for a dedicated person responsible for the nation's future to spend without restraint, seek comfort, and parade his wealth. Comrade Mao Zedong said as early as in 1957: "We must see to it that all our cadres and all our people constantly bear in mind that ours is a big socialist country, but an economically backward and poor one, and that this is a very great contradiction. To make China rich and strong will require several decades of intense effort, which will include, among other things, the effort to practice strict economy and combat waste; that is, the policy of building up our country through diligence and frugality." These words of Comrade Mao Zedong are not outdated.

Even when our country has become powerful and the people prosperous, we should still practice economy and combat waste. Otherwise, people will be affected by the unhealthy tendency and lose their fighting spirit. Then there will be problems in management over the state, resulting in a drain of wealth. Eventually, the people will be reduced from prosperity to poverty and the country from strong to weak. The lessons in this regard, drawn from China or abroad and from ancient or modern times, are indeed profound.

As we are now developing a socialist market economy, is it inappropriate to stress diligence and frugality? The

answer is just the opposite. Instead of weakening the market economy, we should enormously promote the market economy by advocating and carrying forward the spirit of diligence and frugality. It is the market economy which requires us to constantly upgrade the level of management, increase economic efficiency, reduce material and energy consumption and costs, continuously improve product quality, and turn out a variety of quality and marketable goods. Therefore, it is groundless to set the development of a socialist market economy against diligence and frugality.

Being honest and upright is a requirement for the party and government cadres at all levels and a character the party and government cadres at all levels must possess. Being honest in performing official duties or seeking selfish interests and getting involved in corruption is the fundamental difference between the Communist Party and other political parties of the exploitation classes. It is also the fundamental difference between party officials and those from the bourgeoisie and feudal bureaucratic classes. During the revolutionary war years or the period of socialist revolution and construction, how could our party enjoy high reputation and how could the leaders and cadres at all levels have great cohesion? The source lies in wholeheartedly serving the people and working for their interests. Honesty gives rise to diligence, good sense, and prestige. It is honesty which enabled us to maintain the flesh-and-blood ties with the broad masses and which gave us the right to lead the broad masses. It is also honesty which made the broad masses accept our leadership and support the line, principles, and policies formulated by us.

We have now entered a new historical period of reform, opening up, and development of a socialist market economy. It is beyond doubt that we should respect the law of value and stress material benefits while developing a market economy. However, we should also be aware that in the course of developing a market economy, particularly during the transition from a planned to a market economy, it will be a severe test for the broad ranks of party members, leading cadres at all levels in particular, to see whether they are clean and selfless or if they put money above everything else, honestly perform their official duties, or engage in corruption and exchange money for power. It will test whether our ideological style is pure, whether we are upright in ideological qualities, and whether our outlook on life and value is correct.

Being honest in performing official duties runs counter to corruption. If we want the party and government cadres at all levels to be honest, we must make great efforts to fight and punish corrupt practices. Corruption is the agent which damages the party's reputation and cohesive force, which corrodes the party's ties with the masses, and which disintegrates the pioneering spirit in the new period. As an ancient Chinese saying goes, "While teaching and using people, we should enable them to know what is shame. Otherwise, they will act without restraint. We should encourage them to foster a

sense of responsibility and restrain their deeds. We should also commend their good deeds so that they can continuously advance." Only by punishing corruption can we encourage honesty. Unless we deal with corruption and duly punish those who have no sense of shame, it will be impossible to foster the mood of the whole community admiring those who are free of corruption and make clean administration a common practice.

Comrade Jiang Zemin pointed out in his report to the 14th CPC Congress: "We should fully understand the urgency, protracted nature, and arduousness of the struggle. In the entire course of reform and opening up we should fight corruption, regard correcting party style and clean administration as a major task, be determined to attain results, and win the trust of the people." Resolutely launching struggles against corruption is very important for maintaining party-masses and cadre-masses relations and for ensuring that the Chinese people will triumphantly follow the road of building socialism with Chinese characteristics. We firmly believe that under party leadership with Comrade Jiang Zemin as the nucleus and with the concerted efforts of the whole party and nation, new victories will continuously be won in the struggles against corruption and good cadres like Jiao Yulu will emerge in large numbers from among our party and government organs.

#### 'Newsletter' on Train, Highway Banditry

##### Part One

OW2806101093 Beijing XINHUA Domestic Service in Chinese 2135 GMT 15 Jun 93

[Newsletter by RENMIN RIBAO reporter Mao Lei (3029 4320) and XINHUA reporter Zou Aiguo (6760 1947 0948): "The Main Artery is Calling Us—An Account of National Encirclement To Wipe Out Train and Highway Banditry, Part I"]

[Text] Beijing, 16 Jun (XINHUA)—It was spring last March. On the solemn platform at the Great Hall of the People, National People's Congress [NPC] deputies and Chinese People's Political Consultative Conference [CPPCC] members issued this call:

—Deal a severe blow to train and highway bandits!

At almost the same time, the Central Commission for Comprehensive Control of Social Order, chaired by Ren Jianxin, member of the CPC Central Committee Secretariat and chairman of the Central Political and Law Commission, reached the following decision:

—Launch a nationwide deep encirclement campaign to wipe out train and highway bandits!

It seemed a coincidence, but it was, after all, an inevitable outcome of history: Train and highway bandits, which have been rampant for some time, will be dealt a telling blow....

**1. The Moaning Main Artery**

It was midnight. A passenger train sped between Bashan and Shushui. The train stopped at and then left a small station. Suddenly, in a car with only wooden seats, more than 20 hooligans appeared carrying knives and standing at each end of the car. They began robbing the passengers from both ends. The tired passengers were shocked, thinking that such a scene could only be seen in a movie. The hooligans' criminal hands reached for the passengers' waists and luggage. A passenger who refused to be robbed was stabbed four times by the hooligans.

Railways form the main artery of the national economy and social activities, and no passengers or freight can be moved without them. Train bandits have been wrecking havoc on the Beijing-Guangzhou, Longhai, Beijing-Harbin, Chengdu-Kunming, Hunan-Guizhou, and Zhejiang-Jiangxi main railway lines, and robberies at train stations or in trains have been a frequent occurrence. Last year, there were 567 cases of passenger train robberies throughout the country, of which 336 were major ones, and 6,552 cases involving theft and robbery of railway freight by train bandits, of which 1,977 were major ones.

The main artery was moaning and recorded various crimes committed by "train and highway bandits."

On 16 November 1992, a gang formed by Liu Rende and nine other fugitive criminals from Sichuan stole money and personal effects from passengers on train No. 188, which was en route to Pujiang from Lanzhou. When the owners of the lost articles detected this act, they swarmed around, and five passengers were wounded, leaving one dead from serious injuries.

On 23 February 1992, six thugs threatened passengers with knives and forced them to buy beverages in coach Nos. Seven and Eight on train No. 179 that was en route to Xining from Shanghai. The incident took place as the train approached Tangxi station on the Zhejiang-Jiangxi line. They forcibly frisked recalcitrant passengers, injuring one of them, and made off with 4,000 yuan in cash.

On 17 February 1992, a gang of thugs got into a fight in coach Nos. Three and Four after train No. 297, which was headed for Nanning from Chongqing, departed Guiyang Station. They wounded three passengers and robbed a dozen or so passengers of cash, watches, and train tickets. They also knocked unconscious a train guard who had come to stop their criminal act, made off with a pistol, and injured a passenger.

While these criminal acts of robbing people under the watchful eyes of the public were horrifying, robberies committed on highways last year were even more outrageous.

In the pre-dawn hours of 27 June, three hooligans threatened a driver and passengers with knives, when a bus operated by a certain joint passenger and freight

transportation company in Shantou, Guangdong, passed the Fucheng gas station en route to Guangzhou. They robbed four passengers (two of whom were compatriots from Taiwan and Macao) of 6,600 yuan and three gold rings.

On the night of 18 October, three armed thugs robbed the driver and passengers of more than 10,000 yuan in cash, two gold rings, and a beeper, when a passenger car en route to Fuzhou from Shishi, Fujian, arrived at the Xicuoxiang section. They also insulted a female passenger.

In the pre-dawn hours of 23 October, several hooligans intercepted a long-distance bus which was en route to Wuhan from Yanli County, Hubei, when it passed through Zhouzhi town. They robbed the 22 passengers on board at knife point, injuring 19 of them and making off with more than 10,000 yuan in cash....

How rampant "train and highway banditry" is! Data provided by public security organs point to a growing incidence of these cases in some localities. According to the Ministry of Railways, both robberies on passenger trains and robberies and thefts of materials transported by rail during the first quarter of this year rose more than 100 percent from the same period of last year.

Information gathered from various localities shows that criminal activities by "train and highway bandits" are on the rise. Offenders, swollen with arrogance, have employed vicious and cruel means. Some of them committed robberies at knife point, frisked passengers on trains and passenger cars, robbed them of personal effects, and murdered them at the slightest sign of resistance. Some picked the passengers' pockets, defrauded people to sustain their gambling habits, and perpetrated robberies when they failed in their attempts at picking people's pockets. Some set up roadblocks to stop passenger and freight cars and forcibly demanded things or committed robberies.

According to statistics compiled by seven provinces, including Zhejiang and Jiangxi, over 70 percent of such cases solved last year were committed by gangsters, and almost all the large-scale, abominable cases were committed by gangsters. In particular, some gangs with habitual criminals as their core members who kill and injure, as well as gamble and patronize prostitutes, look upon "preying on railways and highways" as a way to "get rich," so they keep committing crimes and pose an extremely great danger.

People are worried when they leave home. It is difficult to travel by train or bus. Can the situation go on like this?

People will not believe this.

History will not believe this.

## 2. "Iron Eagle" Taking Action

The crimes committed by "train and highway bandits" have all along been a conspicuous problem among criminal activities in recent years.

Zhongnanhai is watching closely.

The masses are expectant.

The struggle between justice and evil is ongoing:

On 20 March 1990, the Ministry of Public Security, the Ministry of Railways, and the Ministry of Communications jointly drew up a plan for a special struggle to crack down on "train and highway bandits" at key localities across the country.

In May 1991, the Ministry of Public Security and the Ministry of Railways organized comprehensive control of social order on railways and unfolded the activity by integrating it with implementation of the "Railway Law."

In October 1991, the Ministry of Public Security and the Ministry of Railways again drew up a plan for consolidating social order at key railway sections.

Last year, railway public security organs launched "Operation Iron Eagle," which mainly aimed at cracking down on "train and highway bandits...."

The struggle presented a magnificent outcome:

"Operation Iron Eagle" was launched at 99 key railway stations, 87 key trains, and 82 key sections across the country.

According to incomplete statistics, the operation destroyed 358 gangs of criminals, arrested 4,229 criminals, and seized 36 pieces of various firearms, 1,374 rounds of ammunition, and 5.58 million yuan worth of stolen money and goods within a little over one month after it was launched. A number of habitual criminals who had long been boarding passenger trains and robbing passengers of their property and belongings were caught, one after another.

The Shanghai Railway Public Security Bureau eliminated a gang composed of criminals from Baotou who not only robbed people, but also took drugs and trafficked in drugs, and who frequently committed crimes on the Beijing-Shanghai Railway. The bureau arrested 12 criminals and, after investigation, found that they were involved in 40 criminal cases.

Starting with a theft case, the Guangzhou Railway Public Security Bureau arrested 13 members of the gang and ferreted out 71 clues to crimes after conducting a thorough investigation.

The railway public security bureaus of Zhengzhou, Guangzhou, and Chengdu also fulfilled the target of arresting a bunch of criminals after solving a case and stabilizing a locality after cracking down on a gang. After

arresting five robbers from train No. 274 who had caused a sensation throughout the country, their investigation revealed more than 20 important clues.

The "Iron Eagle" operation continuously exploited the victory.

Seven scoundrels attacked passengers with wine bottles on a train bound for Xian from Xining, and injured two of them then and there. Immediately after receiving the report, police rushed to the site and arrested four scoundrels. The other three scoundrels jumped off the train to escape, but were arrested by the local railway station police.

After robbing passengers of 2,000 yuan in cash on train No. 367 bound for Xiangfan from Wuchang, a gang of scoundrels jumped off the train and fled. The Xiangfan Public Security Department swiftly assembled a force to solve the case. It took the department only four days to arrest the 14 robbers and, meanwhile, solve seven big robbery cases.

Working in concert with "Operation Iron Eagle," a "Central Plains Campaign" with Zhengzhou as the center and with the Beijing-Guangzhou Railway and the Longhai Railway as the main battlefield was also launched. The four public security bureaus of Zhengzhou, Guangzhou, Beijing, and Jinan that took part in the campaign, solving a total of 1,547 cases, and eliminating 194 criminal gangs.

After public security organs and relevant departments in all areas launched a new attack against "train and highway bandits," they drew up carefully considered plans, took vigorous action, and achieved fruitful success:

On 27 April 1993, immediately after receiving a report by the masses that a gang of scoundrels were committing robberies on the Guihuang Highway, Guizhou Province's Anshun Prefectural Public Security Organ sent five public security cadres and policemen to the section of highway to search and keep watch. At 0400 the next day, cadres and police secretly keeping watch caught a gang of criminals waiting for an opportunity to commit a crime, and captured two shotguns and two iron cudgels then and there, thereby solving 14 highway bandit cases that had occurred on this section of road since February, and destroying a gang of train and highway bandits comprised mainly of local peasants and their relatives, and released criminals who had undergone reform through labor.

On the evening of 18 April, a long-distance bus from the Guangxi Litang Bus Co. was robbed by five scoundrels on Shinan Road. Passengers were robbed of 10,000-plus yuan in cash. The public security organ organized a force to set up roadblocks immediately after receiving the report, and arrested Zhou Minren and another criminal that evening. It was found that five persons, including

Zhou Minren, were armed with knives and had robbed four long-distance buses passing through the section since 1800 on that day.

Sometimes figures can be very persuasive. At the Ministry of Public Security, we saw the following figures:

In March and April 1993, public security organs across the country cracked a total of 10,977 cases committed by "train and highway bandits," arrested 20,559 criminals, destroyed 3,256 illegal gangs of criminals, and seized 11.36 million yuan worth of stolen money and goods....

### Part Two

*OW2806102593 Beijing XINHUA Domestic Service in Chinese 0238 GMT 17 Jun 93*

[“Newsletter” by RENMIN RIBAO reporter Mao Lei (3029 4320) and XINHUA reporter Zou Aiguo (6760 1947 0948): “The Main Artery is Calling Us—An Account of National Encirclement To Wipe Out Train and Highway Banditry, Part II”]

[Text] Beijing, 17 Jun (XINHUA)—3. The Magnificent Symphony

Night had fallen, and there was a nip in the air in the north in October. The telephone rang rapidly in the police substation office attached to the Goubangzi Station: “Criminals and brothers Li Shiyong, Li Shibo, and Li Shihai successively killed five police in Anshan, Haicheng, and Taian today, and snatched three pistols. They are fleeing toward Goubangzi. Please intercept and check at once....”

People's policemen Gao Shuli and Wang Jinbiao quickly changed into plainclothes and rushed to the station's passenger waiting room. The two pairs of sharp eyes were scouring the area.

At 2300, passengers leaving Changchun for Shijiazhuang by train No. 214 were checked for their tickets.

“Partner, did you notice that that man has an injured leg? Let us check it out.” Gao Shuli pulled Wang Jinbiao's clothes and said: “Beware, this group of bastards has guns. There are many people at the ticket checkpoint. Do not hurt the passengers.”

The man limped to the ticket checkpoint and put one of his feet inside the gate. Wang Jinbiao quickly charged toward him and pulled at his back. He said: “Please do not go yet, you have dropped your belongings.” Wang Jinbiao tried to hold the man.

The man suddenly turned around unexpectedly and fired two shots at Wang Jinbiao, who immediately fell.

Gao Shuli immediately butted the criminal with his head. He grabbed the evil hand tightly with both his hands and kicked him. Meanwhile, the other criminal rushed out from the dark and fired four successive shots accurately at Gao Shuli—the seventh policemen fell immediately.

The two policemen sacrificed their lives to block the criminals' passage, for the three Li brothers were unable to board train No. 214. They escaped to a workers' area and forced a young worker at gunpoint to lead them into the hills. In desperation, the young worker suddenly hit upon an idea and put on a red sweater.

The red sweater became the target for police to track the criminals. Several snipers aimed their guns at the moving criminals. The three Li brothers could not escape the punishment of justice and dropped under a rain of gunfire.

People could not help but be shocked that to intercept the three vicious criminals, seven policemen were shot dead by the three Li brothers within one day.

People must note this unfortunate number: In safeguarding railway security, 12 policemen heroically sacrificed their lives and 255 policemen were wounded or crippled by criminals' gunshots this year.

These are the people's police. To ensure a smooth flow in the main artery, they sacrificed their blood and lives to engage in life-and-death struggle with train and highway bandits.

Not only the people's police have fought criminals. During their coverage of various localities, the reporters heard numerous moving deeds.

It was a pitch dark night. Militia members Wang Daxi and Wang Yi, who were guarding the railway in Lupanshui's hilly regions, carefully inspected the railway in the cold wind and drizzle....

At 0100, they discovered that a large stone weighing 5 kg was placed on the railway 10 meters from them. Regardless of all consequences, they hurried to remove the stone. Unexpectedly, they were blocked by four criminals and stones were thrown at them. The criminals must not be allowed to have their way. After sending out emergency signals to other patrolling militia, they again charged and fought the criminals.

“Wooo...” the sound of the train's whistle was heard in the distance. With all their might, the militia fought the criminals while trying to get to the stone. The train came closer and closer, 200 meters, 150 meters, 100 meters, 70 meters.... At that crucial moment, Xia Dayou, the militia leader guarding the railway, arrived with his men, and the criminals took off. Regardless of all consequences, Wang Daxi and Wang Yi rushed to remove the stone from the railway, and the train sped past them. They fell on the railroad bed and were speechless for a long time.

Li Xiangbin is a 27-year-old militia member who guards the railway in Xinyao village in Guizhou Province's Luzhi Special Zone. As a railway guard over the past three years, he successively fought 13 times with thugs stealing goods being transported by the railway. He caught eight of them and recovered stolen goods worth over 30,000 yuan.

At 0300 in the early morning of 21 March 1992, Li Xiangbin was patrolling the station. He discovered that several men were prying the door off a cargo car and quickly went to stop them. Unexpectedly, eight thugs surrounded him. One of them flashed his flashlight at Li Xiangbin and said: "If you dare to come near, I will kill you!" The other thugs also pulled out their knives. Seizing a favorable situation, Li Xiangbin picked up a stone and stepped closer to the thugs. On seeing that he was not scared, the thugs asked timidly: "What are you going to do?" At this moment, the station's duty personnel heard the commotion and rushed to the scene. Realizing the unfavorable situation, the thugs dropped the 600 cases of cortisone fluid they had stolen and escaped.

Most people have supported Li Xiangbin in his job of guarding the railway and arresting thugs. However, there were also people who gossiped and said: "The thugs stole railway goods. The things were not yours, so why should you incur other people's hatred?" His wife also persuaded him: "When you see thugs, just make some noise and forget about them. Do not induce deep enmity, because you are in the open while they are hidden. Who knows when you will be attacked."

Li Xiangbin said: "That is out of the question! If nobody cares about the pilferage of state belongings, what will the country become? If I do not bother when I see thugs, how can I consider myself a militia railway guard?"

The following is the dialogue between Li Xiangbin and reporters during an interview:

"Are you not afraid of revenge from criminals?"

"No. I am carrying out my duty as a militia railway guard. Those law-breaking thugs should be the ones who are afraid because they have guilty consciences."

"Have you ever thought that you may sacrifice your life while fighting criminals?"

"If I were to lose my life one day guarding the main artery, it would be worth it!"

A large number of people who harbor similar thoughts as Li Xiangbin still exist. On the list of "Winners of the 1 May 1993 National Labor Day Medals," announced by the All-China Federation of Trade Unions, a name was printed in a black frame: Hu Baochang. This Baocheng railway maintenance worker used his young life to write a magnificent and heroic song.

At 0100 on the early morning of 19 January 1993, Hu Baochang discovered that two burglars were loading railroad materials kept beside the railway onto a small tractor. He immediately woke up young worker Wang Peiliang and rushed to the scene. The burglars sensed the adverse situation, freed their captured hands, and escaped in the tractor. Hu Baochang found that several hundred pieces of sleepers and scores of pull rods kept beside the railway were stolen. He quickly started his motorcycle and gave chase with Wang Peiliang.

After nearly 20 km, their motorcycle finally overtook the tractor at the Shaanxi-Gansu junction. While they parked their motorcycle across the road to block the tractor, the two burglars charged at them. Hu Baochang and Wang Peiliang then engaged in a fierce fight with the burglars. One of them grabbed Hu Baochang's waist, while the other used a piece of wood to hit Hu Baochang's head with all his might. Hu Baochang fell in a pool of blood, and the burglars escaped in the tractor.

Wang Peiliang carried the dying Hu Baochang and sought help from a highway maintenance squad. On 21 January 1993, Hu Baochang died of critical injuries. He was only 30 years old when he sacrificed his life.

It is exactly the millions of warriors like Hu Baochang who have orchestrated the mighty and magnificent symphony of the main artery!

How can we deepen our struggle in the encirclement to wipe out train and highway banditry?

In an interview with the reporters, Shu Huaide, member and office director of the Central Committee for Comprehensive Management of Social Security, felt that to strike at train and highway bandits, we must mobilize all departments to jointly and comprehensively tackle the issue. We must simultaneously crack down on and take preventive measures against crime, as well as look into both its root cause and symptoms. The crux of the results and consolidated achievement of this struggle lies with whether or not we can achieve this.

The security of railways and expressways concerns social stability, people's safety, and the success or failure of socialist modernization. Society should lend a helping hand to this struggle.

This is the call from the "main artery" to the people!

#### Liaison Chief on Exchanges With Foreign Parties

OW2906095193 Beijing XINHUA in English 0924  
GMT 29 Jun 93

[Text] Beijing, June 29 (XINHUA)—The Communist Party of China (CPC) will explore ways to further expand exchanges and cooperation with political parties of other countries, a senior party official said here today.

Li Shuzheng, head of the International Liaison Department of the CPC Central Committee, said this in an interview with XINHUA just before the 72nd anniversary of the founding of the CPC.

She said as people throughout the country are concentrate on establishing a socialist market economy, the issue of how to further expand exchanges and cooperation with foreign political parties was important and significant.

Li was promoted to be head of the department in March this year after serving as its deputy head for 11 years.

She said under the new situation, her department has paid special attention to handling the relations of party-to-party cooperation and different ideologies.

Independence, equality, mutual respect and non-interference in the internal affairs of other countries and political parties are the principles guiding the work of her department, she said.

She stressed that every political party has its own convictions and guiding principles and specific ideologies. "It was inevitable and also normal for political parties to have different views on some issues because of their history, experience, position and conditions," she said.

She held that different ideologies should not become obstacles for party-to-party exchanges.

So long as both sides respect each other, do not impose their views on others and seek common ground while putting aside the differences, she said, various political parties can enhance friendly cooperation on major issues such as peace and development.

This was not only in the interests of both but also of great significance to world peace, stability and progress, the party official said.

Noting that China was concentrating its efforts on establishing a socialist market economy and accelerating its economic reform, Li said: "We attach great importance to the useful experience of other countries and political parties in developing economies and governing states and are willing to exchange views with them through party-to-party contacts."

Li said it was worth noting that more political parties and organizations which have the relationships with the CPC were eager to conduct economic cooperation and trade with China and exchange experience on economic construction and policies.

Li said the CPC pays special attention to the strategies that other countries adopt in socio-economic development and their experience and lessons are an important content of the party-to-party exchanges.

"Now we are exploring ways to promote economic exchanges and cooperation between China and other countries through the channels of the party-to-party contacts," she said.

Through this kind of exchanges, she said, China has so far established business links with nearly 100 companies from more than 50 political parties of 40-odd countries. Her department has also introduced some 60 projects from abroad including the importation of Japanese technology on raising cows for milk production, planting Spanish strawberries and Italian involvement in building water conservancy facilities in northwest China's Gansu Province.

Li said that the International Liaison Department will strive for a favorable international environment for the

country's reform and opening up and modernization program, and contribute to world peace and development.

She noted that with the dramatic change in the world situation, exchanges between various parties and international or regional organizations have become more frequent. The CPC's extensive exchanges with foreign counterparts also reflect this trend.

Statistics show that in the first six months of this year, the International Liaison Department played host to 61 delegations comprising 220 members from other foreign political parties.

This year the CPC has formally established ties with the Mali's new ruling party, the African Party for Solidarity and Justice, Burkina Faso's Organization for Popular Democracy and Workers' Movement, and a number of political parties in the Latin American countries including Peru and Bolivia.

To date it has established ties with more than 280 political parties of over 120 countries in the world.

Li has toured more than 60 countries during her career working for the promotion of the relations between the CPC and other political parties of the world.

## Military

### Naval Commander on Making Aircraft Carrier

OW2706145093 Tokyo KYODO in English 1305 GMT  
27 Jun 93

[Text] Beijing, June 26 KYODO—Reports that China will soon be ready to construct its first nuclear aircraft carrier have taken on a new light with comments by a Chinese naval air force commander that such an undertaking is of added importance for developing countries like China.

"As long as the economic reform continues to strengthen the country, China's naval air force will continue to modernize and the construction of an aircraft carrier could become a certainty," Naval Air Force Commander Wang Xugong said in an interview in the March 25 edition of the NAVIGATION magazine.

It is believed to be the first time that a high-ranking Chinese military commander has openly called for the construction of an aircraft carrier in a nonclassified document.

The magazine is a bimonthly published by the Shanghai Navigational Institute.

China has long been contemplating the acquisition of an aircraft carrier and denied rumors late last year that it was in the process of buying a Soviet-class aircraft carrier from Ukraine.

Many observers believe that China's recent military buildup is largely centered on its territorial claims in the South and East China Seas.

The Spratly Islands in the South China Sea are rich in natural resources and hotly contested by several Southeast Asian countries, including China and Vietnam who fought a sea battle in 1988 over the isles.

"The more we build up and strengthen our naval defense forces, the more we will be able to assert China's interests," Wang said.

Wang's comments strongly contradict recent statements by China's Foreign Ministry, which recently said that China has no intention of expanding naval power to stamp its authority on the region.

"An aircraft carrier can embody a nation's strength," Wang said, adding that the Central Military Commission, the navy and the air force have all received many letters from Chinese from all walks of life wanting to know when China will have an aircraft carrier of its own.

#### Report on Missile Unit's Equipment Management

OW2606072893 Beijing XINHUA Domestic Service in Chinese 0719 GMT 25 Jun 93

[By reporters Gao Tengyun (7559 7506 0061) and Chen Yan (7115 7159)]

[Text] Beijing, 25 Jun (XINHUA)—The strategic guided missile unit of the Chinese People's Liberation Army [PLA] has established an equipment and technical work network in accordance with the requirements for life-span management of guided missile weapons and equipment, thus raising its technical safeguarding capabilities.

According to a briefing by a department of the 2d Artillery Corps, its equipment and technical work departments, established with the approval of the Central Military Commission, have played an importance role in providing technical guarantees for strategic guided missiles. With a view to raising the Army's combat strength, the departments have conducted research to tackle technological problems, achieving more than 1,500 research results in the field of improving the performance of guided missiles and in the methods of training commanders and operators, 900 of whom won state awards and Army scientific and technological progress awards. The wide application of these results has greatly raised the strategic guided missile unit's capability to safeguard equipment and technology.

The officers and men of the equipment and technical departments of the strategic guided missile unit have also overcome difficulties, taken good care of their weapons and equipment, and improved their ability to safeguard and manage special equipment, thus bringing about a fundamental change in its installation positions. There has been an explicit improvement in its scientific management of special equipment and installations as

well as in its maintenance ability. In the maintenance of guided missiles, the officers and men have mainly relied on their own scientific and technological strength, thus raising efficiency in the use of operating funds and providing a guarantee for the Army's military training and other tasks.

#### Military Industry 'Pillar' in Guizhou Economy

OW2506141093 Beijing XINHUA in English 1345  
GMT 25 Jun 93

[Text] Guiyang, June 25 (XINHUA)—The military industry in southwest China's Guizhou Province is mainly serving civilians and has grown to be a pillar in the province's economy.

Most of the military enterprises, employing outstanding technicians from across the country, were set up in the mid-1960s in the province's mountainous areas. Under current circumstances, the industry has begun to turn to civilian service.

Now the output value of civilian products in more than 80 military enterprises accounts for one fifth of the province's total annual industrial output, according to Lei Xun, an official in charge of the provincial Office of Science, Technology and Industry for National Defence.

The provincial government also gives them fairly preferential policies concerning their growth program, and financial, material and power requirements.

These enterprises are producing refrigerators, color television sets, tape recorders, cars and other daily necessities. They are able to produce some new and high-tech products such as major components of ionic accelerators and electron and positron colliders.

They are also able to turn out satellite receiving devices, program-controlled switches and printing and hydraulic driving machines.

In cooperation with local enterprises, the military enterprises plan to explore coal, sulphur, aluminum, antimony, marble and tobacco resources.

In addition, hospitals, schools and kindergartens attached to the enterprises are open to local residents.

Some 100 foreign-funded enterprise have been set up involving military enterprises and have also established economic and technological ties with firms in more than 70 countries and regions.

#### Hebei's Cheng Weigao Observes Military Training

SK2506084193 Shijiazhuang HEBEI RIBAO in Chinese 28 May 93 p 1

[By reporters An Lanzhen (1344 5695 3791), Yu Shuqin (0060 2885 5367), and Zhang Xiaolin (1728 1420 2651):

**"Mobile Troops of the Hebei Provincial Armed Police Headquarters Give Report on Performances of Military Training"**

[Excerpts] The mobile troops of the Hebei Provincial Armed Police Headquarters brilliantly gave a report on performances of their military training at the vast training ground on the morning of 27 May. Watching the performances were Cheng Weigao, secretary of the provincial party committee; Lu Chuanzan, deputy secretary of the provincial party committee and chairman of the standing committee of the provincial people's congress; Ye Liansong, deputy secretary of the provincial party committee and governor of the provincial government; some provincial leading comrades, including Liu Shansheng, Xu Yongyue, Zhao Jinduo, Li Zhanshu, and Li Yongjin; Liu Zongxin, chief procurator of the provincial procuratorate; leading comrades of the People's Liberation Army units stationed in Shijiazhuang; and responsible comrades of the provincial department concerned, Shijiazhuang Prefecture, and Shijiazhuang city. [passage omitted]

On behalf of the provincial party committee and the provincial government, Lu Chuanzan expressed warm greetings and cordial regards to the mobile troops and to the officers and men of the armed police forces throughout the province. He spoke highly of the province's armed police forces for firmly remembering the purpose of serving the people wholeheartedly and making positive contributions to the local spiritual and material civilizations. He urged the officers and men of the armed police forces to observe Comrade Jiang Zemin's Army building standards for being politically qualified and militarily competent and having fine work styles, strict discipline, and guaranteed effectiveness and urged them to work with all people of the province to make great contributions to Hebei's two civilizations.

**Hunan Discusses Moving Soldiers to Civilian Work**

HK2506030093 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 21 Jun 93

[Text] The provincial work meeting on the placement of Army cadres transferred to civilian work closed yesterday. At the meeting, Xiong Qingquan, provincial party secretary, and Chu Bo, provincial party committee standing committee member and vice governor in charge of day-to-day affairs, emphatically pointed out: Good placements of Army cadres transferred to civilian work are of major significance to consolidating national defense and developing the economy. Party committees and governments at various levels must strengthen leadership, implement policies, and accomplish the work in such a way that it is treated as a common task and duty of the whole society.

As disclosed by (Zhu Suling), deputy head of the provincial working group for the placement of Army cadres transferred to civilian work and director of the provincial personnel department, this is the first year that the

streamlining of the system and establishment of the Army is being carried out, and 58,000 Army cadres throughout the country will be transferred to civilian work, and our province has to accept and find places for over 2,500 of them and is required to fulfill the task by September.

To find good places for Army cadres transferred to civilian work, the provincial committee and the provincial government urge that the work of finding places for Army cadres transferred to civilian work must be subordinate to and serve the overall situation of economic construction. In this regard, one must insist on serving economic construction and Army building, implement existing policies and stipulations, make the work adapt to the demand of reform, expand placement channels, overcome difficulties, make sure that attention is focused on key tasks, and strive to find good places for Army cadres transferred to civilian work. Moreover, multiple methods must be adopted to solve such problems faced by Army cadres transferred to civilian work as housing and work arrangement of their family members.

(Luo Haifan), provincial party committee standing committee member and head of the provincial organization department, (He Yaodong), deputy head of the provincial working group for the placement of army cadres transferred to civilian work and deputy political commissar of the provincial military district, and others also addressed the meeting.

**Economic & Agricultural****'Top' Official on Current Economic Situation**

HK2806142093 Hong Kong TA KUNG PAO in Chinese  
25 Jun 93 p 2

[("Special dispatch": "Top Government Official Points Out All Localities Should Take Effective Measures To Solve Three Knotty Problems in the Chinese Economy"]

[Text] Beijing, 24 Jun (TA KUNG PAO)—A top government official of China pointed out in a recent speech the need to comprehensively analyze and correctly assess the current economic situation. He said: This year, the national economy continued to grow at a high speed on the basis of last year's high-speed operation. In the first quarter of this year, the gross national product increased by 14.1 percent over the same period last year. Agricultural production continued to develop steadily and industrial production increased at a high speed. The economic efficiency of industry began to improve. The domestic market was brisk. Some reform measures around the establishment of the socialist market economy were adopted and put into practice. The work of transforming the enterprise management mechanism was going on positively. In general, the economic situation was good.

The top official said: In the process of sustained high-speed economic growth, such problems as reckless investment expansion, competition in growth speeds between localities, and the lack of effective control mechanism caused by the traditional system remained unsolved. An effective overall control and regulatory system under the new economic structure and the regular market order have not taken form. This resulted in the accelerated accumulation of problems in economic life and made the contradictions more prominent. The contradictions and problems mainly find expression in the following facts:

First, the monetary situation became stern. Bank deposits decreased sharply and there was a serious shortage of funds. It was hard to guarantee the funds for key projects. The quantity of cash in circulation and money supply increased drastically. This inevitably added to the inflationary pressure and disrupted the financial order.

Second, capital investment increased at high speed and the tendency of investment-swelling appeared. In particular, the scale of building development zones and developing real estate projects became too large and the economic activities in this field were definitely overheated. The economy would find it hard to support such a large-scale expansion.

Third, consumption demand increased too fast. According to statistics, in the first quarter of this year wages and other personal expenditure increased by 35.9 percent over those in the same period last year. Enterprise administrative expenditure increased by 85.4 percent over. The value of commodities purchased by institutions increased by 27.1 percent over the same period last year. Obviously, with the factor of normal growth being deducted, the growth rate of the consumption fund was still much higher than the growth rate of the national economy in the same period. This brought about price hikes, increased the sources of funds raised to make investment, and widened the income gap between urban and rural residents.

He said: The three above-mentioned problems and other problems have brought new difficulties to the normal operation of the economy and have caused a strained macroeconomic environment. Prices have become too high. In the first quarter of this year, retail prices in the whole country increased by 9.1 percent; prices affecting urban people's day-to-day expenditure increased by 11.1 percent; while in the 35 large and medium-sized cities, prices increased by 15.7 percent. The contradiction between the supply and demand of capital goods has become more prominent as the result of the price increases. In the first quarter of this year, railway transportation became more strained. The rate of vehicle satisfaction in the trunk lines was lower than 60 percent. Goods were stockpiled to a serious degree in ports and could not be unloaded from ships. The inventory of steel products, timber, and cement decreased sharply. In many localities, there was a shortage of electric power.

Problems in agricultural production were also rather prominent. The state's policies for stabilizing and developing agriculture were not completely put into practice. Crop failures caused by drought and plant diseases and pests spread, and will affect the harvest of grain crops and oil-bearing crops this summer. Therefore, party committees and governments at all levels must not take these problems lightly and must pay serious attention to them. They should adopt effective measures, resolutely eliminate various hidden perils, and ensure the healthy development of the national economy and the smooth advance of reform and opening.

#### 'Top Levels' Drafts Measures To Curb Inflation

HK2906105093 Hong Kong MING PAO in Chinese  
27 Jun 93 p 18

[("Dispatch from Beijing" by Shih Yin-feng (4258 0936 7364): "China Formulates New Procedures To Slow Down Economic Growth, Moderate Measures Rather Than Radical Ones Will Be Adopted")]

[Text] In the face of worsening inflation, Beijing's top levels are now discussing measures for rapidly slowing down the mainland's economic growth. The "package" will probably be gradually introduced very soon. The main theme of this package is to apply more economic means and steadily promote reform.

The package drafted by CPC top levels is based on the following principle: Economic policies, economic means, and economic methods. The supplementary measure for implementing the package is that the matters confused in some localities by administrative means should be corrected by administrative ones. Nevertheless, the general principle will be based on economic methods.

A source disclosed that the overall strategy of the current macroeconomic regulation and control is: First, bring about a better economic relationship and a standardized and scientific economic order. Second, keep economic growth under control, handle the question of growth with a realistic attitude, and strive to keep the growth around 10 percent. Third, keep the scope of investment under control and ensure the state's key construction projects. Fourth, keep the price increases within 10 percent. Fifth, of all the measures, the financial one occupies an important position.

The package accepted the proposals made by mainland economic experts. Some experts' participation in the drafting made the work more careful, steady, and positive.

An economic expert involved in the drafting said that the original package had dozen of articles. Later, a few more were added. Some seven to eight articles were related to the establishment of a new financial and investment order. In finance, the "Regulations for Management Over Enterprise Bonds" will be introduced to draw a clear line of demarcation between legal and illegal

fundraising by means of securities or other channels. Even when funds are raised by means of securities, it is necessary to undergo strict examination and approval formalities because it is illegal to exceed the scope. Moreover, the lending market should be standardized and the funds indiscriminately lent must be recalled, while "circulation of funds not included in the plan" must be checked so as to bring the confused financial market back to order. In investment, measures will be adopted to deal with the chronic problems in irrational investment setup and duly curtail the general processing industry and particularly the products and projects which are restricted by the industrial policies so as to ensure investment in energy and communications and at the same time exercise control over the small investment projects, which do not meet the requirements of economic scale, and increase investment in key projects.

The source disclosed that top Beijing levels will not immediately announce the "package," which may give an impression outside that "China has started its economic improvement and rectification again." As a matter of fact, Beijing will not take the same road of economic improvement and rectification as it did in 1988, that is, applying the brakes and backtracking reform.

Top Beijing levels will implement the package separately in a step-by-step manner. In the words of mainland economic experts, "moderate measures rather than radical ones will be adopted" to ensure that the measures are feasible and will not lead to misunderstanding, and that the prosperous economic situation which emerged last spring will continue.

The deepest impression given to the public is that most of the macroeconomic regulation and control measures are economic means and very few are administrative ones. Moreover, new economic policies will be implemented to establish a new economic order.

An economic expert from Beijing, who was not willing to be identified, said: "The current move is not tantamount to economic improvement and rectification, still less a backtrack of reform. On the basis of a market economy, it is aimed at bringing order out of chaos and making the policies more scientific. The guiding ideology for drafting and implementing the measures is doing things conducive to the establishment and development of a market economy."

The expert pointed out: Despite numerous difficulties in establishing a new economic order, the prospects are optimistic compared with the situation in 1988 because top Beijing levels will go all out to prevent drastic fluctuations and they will remain firm, particularly in their determination to promote a market economy.

#### 'Sources' Say State Plans Anti-Inflation Steps

HK2806073293 Hong Kong *SOUTH CHINA MORNING POST* in English 28 Jun 93 p 1

[By Willy Wo-lap Lam]

[Excerpts] Beijing is set to announce a series of measures to restore central control over the economy and "absolute" party leadership over the regions. Newly-obtained figures show the country's financial situation has reached crisis proportions.

Economic sources in the Chinese capital yesterday said the leadership under President Jiang Zemin was working out multi-pronged policies to cool down the economy and to rationalise its structure.

The steps, which will be announced stage by stage beginning next month, include strict orders to cut investment in overheated sectors such as real estate and the flotation of stocks.

Heavy penalties would be slapped on local governments and companies that sought to raise funds outside the state financial system.

Money supply will be cut across the board. However, exceptions will be made for agriculture, energy, transport and raw materials.

Action will also be taken to ensure financial and other resources for major state projects already listed in the Five Year Plan for 1991-95.

To help stop cash shortages, Beijing will step up its programme to persuade civil servants and urban workers to buy state bonds. [passage omitted]

Figures obtained last week by diplomats in Beijing have demonstrated the financial squeeze is more serious than the official media suggests.

In the first five months of the year, central government earnings decreased by 2.2 percent over the same period last year, while expenditure increased by 15.9 percent.

As a result, the balance in treasury accounts was more than 20 billion yuan less than last year.

The economic structure was dangerously unbalanced.

While, from January to May, investments in real estate shot up by 110 percent over the same period last year, those for such vital sectors as agriculture, raw materials and energy dropped by between one percent and six percent.

Over 110 "major state projects" in areas including energy, transport and petro-chemicals have been stalled for lack of funds.

One recent study by the State Council said only 16 percent of the money needed for these projects had been secured.

While Beijing is facing tremendous difficulties selling the 30 billion yuan worth of state bonds planned for this year, it has not sold any of the 4.8 billion yuan worth of "construction bonds" for national projects.

A senior Western diplomat said Beijing had practically been printing money to help stave off the worsening crisis.

However, he said, Beijing's room for manoeuvre was getting smaller since the supply of currency up to the middle of last month was 52 billion yuan more than last year.

To ensure obedience to its edicts, Beijing has started a major crusade to boost "absolute party leadership" over the regions and individual economic units.

The "party centre comes first" campaign is being launched to coincide with the celebration of the Communist Party's 72th anniversary on Thursday.

In a speech marking the anniversary, Executive Vice-Premier Zhu Rongji called on party organizations and members to be "models in implementing the principles and policies of the Communist Party Central Committee and the State Council".

#### Economists Urge Reform To Control Inflation

HK2906144393 Beijing ZHONGGUO XINWEN SHE  
in English 1125 GMT 29 Jun 93

[Text] Beijing, June 29 (CNS)—A number of economic experts in Beijing recently said that the tackling of inflation is a matter which should not be treated lightly and the only solution to the problem was the acceleration of reform since a new round of inflation has taken shape within the first six months of this year.

The economists pointed out that inflation had a close relationship with chaotic financial order while hurdles to reform were mainly the result of a lag in financial restructuring. In addition to the implementation of emergency measures to control inflation, financial reform needed to be pushed forward as soon as possible. The policy mapped out earlier this year on a switch of professional banks to commercial ones needed especially to be carried out. Should effective measures not be adopted, there would be resultant disadvantages to the development of the market economy and the stability of the currency.

The inflation problem mainly results from serious problems in the economic system, particularly in the financial system, the monetary system and reform of state-owned enterprises, all of which had not yet been carried out boldly enough. It is high time, they said, that the authorities implement essential measures other than using old practices to tackle the economic problem and the only way to do this is to speed up reform.

#### State Plans To Use Single Exchange Rate System

HK2706073593 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 27 Jun-3 Jul 93 p 1

[By Ren Kan: "China Promises To Unify its Dual Exchange Rates"]

[Text] To lubricate its return to the General Agreement on Tariffs and Trade (Gatt), China has committed itself to introduce a single exchange rate system within five years.

The promise was relayed to Gatt contracting parties by the Chinese delegation last month at the 14th session of Gatt's working party on China, said Li Zhongzhou, an official with the Ministry of Foreign Trade and Economic Co-operation.

China has been seeking to abolish its dual-rate system, which maintains an official rate and allows a swap-market rate, but this is the first time a timeframe has been given.

Li, who is deputy director of the ministry's department of international trade and economic relations, admitted that the recent sharp devaluation of the renminbi in swap markets has made merging the two rates more difficult.

The official exchange rate is about 5.7 yuan against the dollar, but the swap-market price is around 11 yuan.

"We seem to have lost a chance when the gap between the official rate and the swap-market rate was quite narrow earlier last year," Li said, "but we could create another chance and the price in the swap market could come back to the normal level."

A single rate could enable China to make renminbi freely convertible, said Li.

"But we have not promised a deadline since it depends on the country's economic development," he said.

Only when the country has a rich supply of goods, huge exports and big foreign exchange reserves can the goal be fulfilled.

As a developing country, China faces a chronic shortage of foreign exchange and is burdened with a heavy foreign debt of \$70 billion. Foreign exchange reserves are a skimpy \$19 billion.

"Therefore, it would take a relative long time to achieve the goal," Li said. "But we have confidence."

To reach the goal, Li said, the country is planning to take some measures this year, including setting up a unified system for quoting prices and foreign exchange transactions at swap markets.

China has set up more than 100 foreign exchange swap centres since 1988, but they have different prices and are not properly linked to each other.

The country is also seeking to cancel the foreign exchange quota system. Instead, enterprises will be allowed to retain foreign exchange earnings in cash.

Under the existing quota system, Chinese enterprises must sell all foreign currency earnings to the State. In

return, they receive vouchers that allow them to buy a set amount of foreign exchange from banks.

The government's latest measure came earlier this month when it removed the ceiling price in swap markets.

Li said that fulfilling the goal will depend not only on China but also on the world trade environment.

"We are hoping to see a more open world trade structure instead of trade protectionism," he said.

Li said the widening reform of China's foreign exchange control system would create a better environment for China's re-entry into Gatt.

Negotiations are under way for the protocol on the resumption of China's status as a Gatt contracting party, he said.

Meanwhile, China is negotiating tariff concessions with some contracting parties, including New Zealand, Canada and Japan. Preparations for tariff negotiations are also under way with other countries, including the Czech Republic, Australia and Finland.

But Li said the negotiations for China's re-entry into Gatt are "quite difficult."

"Some contracting countries have raised too high a requirement, which we cannot fully meet," he said.

For example, some countries asked that China's highest tariff be limited to 35 percent.

#### MOFTEC Lists Projects To Import Technology

HK2806040093 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 27 Jun-3 Jul 93 pp 1, 2

[By Wang Yong: "MOFTEC Seeks Technology"]

[Text] China last week announced 210 large projects seeking overseas technology and equipment, which will be completed between 1993 and 2000.

The package was only part of a larger one to be disclosed later, said officials from the Ministry of Foreign Trade and Economic Co-operation (Moftec) and the State Planning Commission.

Reliable sources told Business Weekly that China is ready to purchase technology for some of the projects.

A purchasing delegation dispatched by Moftec yesterday will be in Belgium and other Western European nations until July 11.

Also last week, another buying mission for the State Planning Commission and Moftec went to the Netherlands to negotiate import items.

The technical imports for the 210 projects will cost up to \$30 billion.

Officials said China will mainly buy equipment systems, technological expertise, key equipment and affiliated instruments.

Financing will come from the State and local foreign exchanges as well as through loans from foreign governments and international financial institutions.

The announcement of the projects signals China's readiness to enhance its trade transparency in line with the requirements of China's resumption as a contracting member of the General Agreement on Tariffs and Trade.

The first part of the 210 projects is published today on Page 2. The rest will be carried in Business Weekly in the coming weeks.

#### Technology imports list

##### Agriculture

- 1) Comprehensive development of agriculture in Henan Province—to improve 3 million hectares of low-yield farmland along the Yellow River and to expand the irrigation area to 1.6 million hectares.
- 2) Comprehensive development of agriculture in Sichuan Province—matching system of the Wudu-Shengzhong irrigation project, which irrigates 1.6 million hectares of farmland in the province's impoverished eastern territory.
- 3) Enhancing irrigation in the basins of the Yellow, Huaihe and Haihe rivers—to develop grain-producing facilities and to improve irrigation in Jiangsu, Shandong and Anhui provinces.
- 4) Irrigation works in the southern territory of Xinjiang Uygur Autonomous Region—to open up 800,000 hectares of wasteland and improve 1.2 million hectares of low-yield farmland.
- 5) Tongyuhe River Project in northern Jiangsu Province—river course is 245 kilometres and the project covers 12.3 million hectares of irrigated farmland.
- 6) The development of irrigation works in Hunan Province—agricultural development and improvement of water conservancy works in Dongting Lake area.
- 7) Development of irrigation works in Hubei Province—to develop agriculture in the Jianghan Plain, improve water conservancy facilities and develop forestry.
- 8) Comprehensive agricultural development in Jilin Province—comprehensive development of plant processing, animal husbandry and agricultural byproducts in Baicheng, Qianguo, Fuyu and Changchun areas.
- 9) Comprehensive agricultural development in Liaohe Plain, Liaoning Province—the development of plant processing, aquacultural and agricultural byproducts.
- 10) Agricultural technology education—to spread seed and livestock technology.
- 11) Tropical-crops development in Guangdong Province—cultivating and processing of rubber trees, sugar cane and other crops.
- 12) Seafood products development at Bohai Bay—farming and processing of seafood products.

- 13) Comprehensive development of agriculture in Hainan Province—cultivating and processing of farm products.
- 14) Comprehensive development of agriculture in western Henan Province—fruit plant cultivation, and livestock breeding and processing.
- 15) Comprehensive development of agriculture in Fujian Province—cultivating and processing of agricultural products.
- 16) Flood protection in Taihu Lake area—comprehensive project of flood prevention and drainage.
- 17) National afforestation project, second phase—to plant more than 500,000 hectares of fast-growing wind-break forests.
- 18) Animal fodder development—to develop feed processing and the production of forage additives.
- 19) Grain distribution—grain storage and transportation facilities and grain markets construction.
- 20) Red soil rehabilitation, second phase—water and soil transformation of the red soil and comprehensive development of agriculture in five provinces in South China.
- 21) Loess Plateau transformation—to comprehensively control soil erosion in middle reaches of the Yellow River.
- 22) Seed development, second phase—to build up the foundation for improved seed breeding and processing.
- 23) Agricultural development along the west bank of the Yellow River in Gansu Province—comprehensive agricultural development across the Shule River valley.
- 24) Agricultural development in Southwest China—agricultural development and poverty relief in Guizhou, Guangxi and Yunnan provinces.

#### Energy

- 25) Jiujiang power plant, Jiangxi Province, third phase—installed capacity: two 300mw [megawatts].
- 26) Sanhe power station, Beijing—installed capacity: 2\*350mw [figure as published].
- 27) Wangpuzhou hydropower station, Hubei Province—installed capacity: four 27.5mw.
- 28) Xiaolangdi key water control project, Henan Province—reservoir capacity: 12.6 billion cubic metres. Installed capacity: 1,560mw.
- 29) Daqi power plant, Inner Mongolia, second phase—to introduce key equipment for 2X300mw power generating unit.
- 30) Ertan hydropower station, Sichuan Province—installed capacity: 6X550mw.
- 31) The first Tianshengqiao Chain hydropower station—installed capacity: 4X300mw. Plus transmission line and transformers.
- 32) Ezhou power plant, Hubei Province, first phase—installed capacity: 2X300mw.
- 33) Hejin power plant, Shaanxi Province, first phase—installed capacity: 2X300mw.
- 34) Guangdong storage power station, second phase—installed capacity: 4X300mw.
- 35) Qitaihe power plant, Heilongjiang Province—installed capacity: 2X300mw.

- 36) Hongjiadu hydropower station, Guizhou Province—installed capacity: 3X180mw.
- 37) Mianhuatan hydropower station, Fujian Province—installed capacity: 4X150mw.
- 38) East China Sea natural gas development, Shanghai—to develop Pinghu Gas Field and to build up gas pipeline and urban pipe networks.
- 39) Lingjiantan hydropower station, Hunan Province—installed capacity: 8X30mw.
- 40) Longtan hydropower station, Guangxi Zhuang Autonomous Region—installed capacity: 7X600mw.
- 41) Yangzhou power plant, Jiangsu Province—installed capacity: 2X600mw.
- 42) Beilungang power plant and transmission network renovation, Zhejiang Province—installed capacity: 2X600mw for the second phase and the provincial transmission networks renovation.
- 43) Tuoketuo power plant, Inner Mongolia—installed capacity: 2X600mw.
- 44) Dalian power plant, second phase—installed capacity: 2X350mw. To introduce Japanese technology and jointly manufacture generators.
- 45) Qinshan nuclear power plant, second phase—key equipment for 2X600mw generating units.
- 46) Houjitu pit and its matching equipment, Dongsheng mining area of Shengfu Coal Mine—annual production of raw coal: 5 million tons. Plus transportation and water supply facilities.
- 47) Jining No 2 Coal Mine, Yanzhou mining area, Shandong Province—annual production of raw coal: 4 million tons.
- 48) Jining No 3 Coal Mine, Yangzhou mining area, Shandong Province—annual production of raw coal: 5 million tons.

(To be continued next week)

#### Wu Yi on Enterprises' Independence in Trade

OW2606063393 Hangzhou ZHEJIANG RIBAO in Chinese 3 Jun 93 p 1

[Interview with Wu Yi, minister of foreign trade and economic cooperation, by ZHEJIANG RIBAO reporter Jiang Weiyang (5592 5898 7122) in Hangzhou; date not given: "Let More Enterprises Be Self-Operational in Imports and Exports—an Interview With Wu Yi, Minister of Foreign Trade and Economic Cooperation"]

[Text] Clad in a fashionable dark purple suit, she was elegant in her manners and decisive in her speech while maintaining the appropriate etiquette. That was this reporter's impression of Wu Yi, minister of foreign trade and economic cooperation. It was discovered long ago that, as China's chief representative, Wu Yi answered questions in a composed manner and argued strongly on just grounds during Sino-American talks on the textile trade last year. She was neither arrogant nor obsequious, and this style even won her warm appraisals from harsh Western reporters.

Minister Wu Yi was in Hangzhou to attend a national work meeting on self-operations in imports and exports for production enterprises. This reporter had a very difficult time getting an interview with the minister because of her tight schedule. Knowing that she would be visiting the Teliya Shoe Plant and Hangzhou Television Plant, this reporter rushed to the venue, but she had arrived unexpectedly ahead of schedule.

"Minister Wu, is your daily work schedule always planned so tightly?" This reporter followed Wu Yi closely and asked questions whenever there was a chance. "Yes, it has always been like this," Wu Yi smiled and nodded. She said: For China to become one of the world's top 10 trading nations by the end of the "Eighth Five-Year Plan," the next two years will be crucial. The current situation indicates that it is particularly necessary to tackle the general export trade based on cash remittances, a principal source of foreign exchange income for the country. "This national work meeting is held in accordance with the guidelines of the relevant State Council document to grant more state-owned large and medium-sized enterprises independent rights in foreign trade for increasing their foreign exchange earnings."

Wu Yi was vice mayor of the Beijing Municipality, principally in charge of industries, but she was more familiar with production. At the Hangzhou Television Plant, she often walked over to the assembly line and directly asked workers specific questions. She said: On the grounds of accelerating technological transformation and readjusting the industrial mix, it is necessary to change from principally exporting roughly processed products with low added value to principally exporting finely processed products with high added value to meet the demand of international trade and world market competition. Without the participation and support of the country's vast number of industrial enterprises, particularly state-run large and medium-sized enterprises, it is impossible to always maintain a stable and sustained growth for our foreign exports. Wu Yi said: In the process of deepening the restructuring of foreign trade, the ministry will always consider granting production enterprises import and export right a vital measure for invigorating large and medium-sized enterprises. In particular, we must further strengthen the foreign exchange earning capability of machinery and electronics products, comprehensive equipment sets, and products of high and new technology.

Wu Yi greatly appreciated Zhejiang's "export guidance" policy for enterprises. She said: The province allows enterprises to retain 90 percent of their foreign exchange earnings and 10 percent of their profits from foreign exchange earnings and profits exceeding those basic amounts set by the enterprises themselves. This helps increase the foreign exchange earnings of the enterprises. When the director of the Hangzhou Television Plant said that the plant planned to exercise its independent rights in foreign trade and invest in Russia, Wu Yi immediately affirmed the plan. She said: Russia will be our

country's most important trade partner in the long-run, and far-sighted entrepreneurs should attach importance to developing economic and trade relations with Russia from now on.

### Over 13,000 Foreign Enterprises Established

*HK2706045093 Beijing ZHONGGUO XINWEN SHE  
in English 0229 GMT 26 Jun 93*

[Text] Beijing, June 26 (CNS)—In recent years, foreign enterprises including those from Hong Kong, Macao and Taiwan applying to set up resident representative institutions in China have been continuously increasing and by the end of last March, such institutions set up in 60 of China's cities and representing their mother companies in 60 countries and regions approved by the Ministry of Foreign Trade and Economic Cooperation reached more than 13,000. They have become windows for the outside world enabling it to become more familiar with China and bridges for China to enter the outside world.

In order to simplify the procedures of examination and approval of such institutions and enable more foreign companies to set up representative offices in China, the ministry, on January 1, this year, handed down its powers for the examination and approval of such offices to the bureaus of foreign trade and economic cooperation in the provinces, autonomous regions and municipalities as well as cities enjoying provincial status within the state plan.

### State To Register Service Industry Trademarks

*OW2906114793 Beijing XINHUA in English 1103  
GMT 29 Jun 93*

[Text] Beijing, June 29 (XINHUA)—China will officially start to accept registration applications for trademarks within the service industry next month, it was announced here today.

Speaking at a press conference, Liu Minxue, director of the State Administration for Industry and Commerce (SAIC), said China will begin to accept the applications as of July 1.

"Any companies, units or self-employed businessmen who want to have royalties on trademarks for their services should apply to the trademark bureau for registration," said the official.

He said the Law on Commodity Trademarks also applies to trademarks for service industry.

The trademarks for service industry for which China is ready to accept registration application include those engaged in advertisement, business management, insurance, financial affairs and fixed assets, house construction, repair and installation services, telecommunications, transportation, commodity packing and storage, travel service, education and drink and food supply.

Liu said the introduction of the service trademarks system is designed to meet the need of China's developing market economy and to protect fair competition, as well as vitally improving China's legal system.

According to Li Bida, deputy director of the administration, SAIC designated the period between July 1 and September 30 as a transition stage and all the applications received during the three months will be regarded as putting forward on the same day.

Li said SAIC will also adopt a principle awarding rights to particular trademarks to those who apply first.

Nonetheless, the rules aim to prevent illegitimate claims by people rushing to apply first. For instance, regardless of which party applied first, the 5-star White Swan Hotel in Guangzhou would be awarded license to its name and logo over competitors who have traded on the famous white swan name.

The Standing Committee of the National People's Congress early last year revised the law on trademarks to include trademarks for service industry, the first of its kind since China adopted its law on trademarks in 1982.

The number of China's registered trademarks has increased to 420,000 from 32,000 at the end of 1979, including 54,000 from about 60 countries.

### **Beijing Issues \$40 Million in Domestic Bonds**

OW2606122593 Beijing XINHUA in English 1205  
GMT 26 Jun 93

[Text] Beijing, June 26 (XINHUA)—China is floating 40 million U.S. dollars in domestic bonds for the first time since 1949, and all legal institutions registered in the country can purchase the bonds.

The National Metallurgical Import and Export Corporation of China (NMIEC) began floating the U.S. dollar bonds on domestic markets early this week. Bond interest, for one-year and two-year terms, is 4.1 percent and 4.6 percent, respectively.

NMIEC, one of China's biggest foreign trade firms, and the underwriter, the China Securities Co Ltd. (CSC), signed an agreement on the selling of the bonds here today.

Speaking at the signing ceremony, NMIEC general manager, Bai Baohua, said the move is aimed at pooling funds for the import of raw materials and advanced technology into some major steel and iron enterprises in China.

Statistics show that resident deposits of foreign currencies in China has topped 10 billion dollars.

According to CSC, the bonds will be circulated on the market through the national electronic trading system once sold out at the end of this month.

Experts here said that the selling of the U.S. dollar bonds on domestic markets is expected to attract idle funds and, to some extent, help increase the amount of foreign currency to be used in production and construction.

### **Power Industry To Adopt Shareholding System**

HK2706043093 Beijing ZHONGGUO XINWEN SHE  
in English 0228 GMT 26 Jun 93

[Text] Beijing, June 26 (CNS)—Minister of Power Industry Mr. Shi Dazhen, speaking at a recent meeting, said that China will introduce the shareholding system into the power industry.

Mr. Shi held that the shareholding system was a form of organization and a pattern of operation suitable to the development of a socialist market economy and was beneficial for the raising of capital needed for the development of a high-grade power industry. He said that the ministry had decided to gradually widen shareholding reform on the basis of trials of such reform in Shandong Province.

The minister said that the implementation of the shareholding system in the power industry should follow two principles. First, it should conform with the objective law of development of the power industry, be beneficial to the synchronous development of the power network and power plants through fund-raising and to the strengthening of all links in the generation of power, its supply and sale. Second, it should be in line with the principles of reform of the power industry system.

According to Mr. Shi, the ministry will draw up a document on the standardization of the power industry's shareholding system as soon as possible together with other departments in order to avoid making mistakes in its implementation.

### **Shenzhen To Make Shareholding Firm Out of Bank**

HK2706060093 Hong Kong SOUTH CHINA SUNDAY MORNING POST (CHINA BUSINESS REVIEW) in English 27 Jun 93 p 1

[By Kennis Chu]

[Text] Shenzhen plans to turn its branch of the Agricultural Bank of China into a shareholding company, according to mayor Li Youwei. Under the plan, the central government will retain a majority stake, while the Shenzhen authorities, and other private parties, will hold a minority interest. If Beijing approves the plan, the bank will become the first national financial institution in China to convert to a shareholding company. The move is also likely to encourage other cities to follow a similar path.

The Agricultural Bank of China is one of five specialised institutions on the mainland—the others being Bank of

China, Industrial and Commercial Bank of China, People's Construction Bank of China, and China Investment Bank.

Mr Li pointed out that most economic revolutions in the world started with banking reforms. "Here, however, only two commercial banks—China Merchants Bank and Shenzhen Development Bank—have decentralised," he said. "If the Agricultural Bank becomes a shareholding company, it will need to abide by international practices, and its functions will be decided by market forces," he added.

Although Beijing's permission to initiate the move has already been sought, Mr Li refused to predict the schedule for the bank's switch to the new status.

Analysts in Hong Kong expressed surprise at Shenzhen's action, and were cautious in their reaction to the move. "The biggest problem in the mainland banking system is that the specialised banks do not function as they are supposed to. I don't think decentralisation will solve this problem," said an economist.

The move is part of Mr Li's experiment to open up the financial sector to the mainland public and foreigners. The financial sector has become the focus of Mr Li's master plan to modernise the city. The banking, insurance, securities, gold and silver markets and due to be opened to outsiders. He said foreigners would be welcome to set up financial companies through joint ventures, joint co-operations or wholly-owned ventures. Established foreign banks would be granted permits to conduct yuan dealings.

Since he was elected as mayor last November, replacing Zheng Liangyu, who stepped down due to his mishandling of last August's stock riots, Mr Li has determined that financial reforms should top his agenda. Until his appointment, Mr Li, 55, was hardly a familiar name in Hong Kong. He said he felt pressured when he was nominated last November. "I was surprised when Beijing told me that I would be nominated," said Mr Li, who arrived at the city in 1990 as deputy party chief and chairman of the Shenzhen branch of the National People's Congress.

"Normally, leaders are moved from the administrative government to the congress, rather than the other way round. I was rarely involved in administrative work before. "I felt pressured because Shenzhen is at the forefront of economic reforms in China and any mistakes made by the city is likely to hurt the movement."

As deputy party chief, he was responsible for Shenzhen's legislative development and was credited with pushing Beijing to grant Shenzhen legal autonomy in July. Autonomy has given the city the power to legislate its own laws, unlike other provincial governments which only have autonomy to make regulations.

Mr Li plans to put into effect 80 new laws in the coming three to five years. These will aim to upgrade Shenzhen's

investment environment to an international level. "I am determined to perfect the market economy by means of decentralisation. What I have to do is to develop a sophisticated legal system to regulate the market," he said, adding that Beijing had been supportive in allowing Shenzhen to do more than other cities.

"We are an experiment centre. If our attempts prove successful, others can follow. If they fail, we can correct them," he added.

A native of Liaoning province in northeast China, he graduated from university and began his career as a worker at the First Automobile Works in Changchun before qualifying as an engineer. When the Second Automobile Works was established in Hubei Province, Mr Li was sent to the factory as deputy party chief. Later, he became mayor of Hubei's Shiyan city, where the Second Automobile Works was located. He later became vice-governor of Hubei Province, charged with economic planning.

His new appointment is his toughest assignment to date. As more cities open their doors to foreigners, Shenzhen is in danger of losing its competitive edge, despite being the first special economic zone in China. High inflation, inadequate infrastructure and lack of production resources are all factors discouraging further foreign investment.

"The city's biggest disadvantage is that its economy has been developed too quickly and the development of the infrastructure system has not been able to keep pace with it," Mr Li said. The mayor's strategy is to put the focus on the service industry and hi-tech manufacturing.

However, Thomas Chan Man-hung, reader and co-ordinator of the China Business Centre at the Hong Kong Polytechnic, disagreed with Shenzhen's development plan.

He said: "The city should play the role of a satellite city of Hong Kong because it is not sophisticated enough to promote its own hi-tech industries. "In the run-up to 1997, mainland and foreign businessmen will continue to opt for Hong Kong as the gateway for China, rather than Shenzhen."

But Mr Li thinks otherwise. "We can't only be a satellite city for Hong Kong. We have our comparative advantages. We have built an international airport and terminal ports. We can act as a transportation hub."

Although Mr Li has already implemented more than 10 new laws to improve the investment environment during his eight months in office, it is still too early to judge the moves he has made. Like other city leaders, Mr Li's aim is to develop the Shenzhen market economy with Chinese characteristics.

"We have to take bold steps to develop the country's economy, while being cautious. This is because any mistakes we make will blunt the enthusiasm of market economy. It is a kind of conflict," he said.

**Railroad Workers 'Working Hard' To Fulfill Plan**  
*OW2706142493 Beijing XINHUA in English 1243  
GMT 27 Jun 93*

[Text] Beijing, June 26 (XINHUA)—Railway workers across China are working hard day and night to fulfill the 1.56 billion tons of transport planned for this year.

The past five months have left 14.37 million tons of goods to be transported as a result of the current limited railway transport capacity, a decrease of 0.2 percent from that for last year.

At present, railway workers are competing with each other in order to overfulfill transport quotas for the year.

Yang Qihua, chairman of the board for the Guangzhou Railway Conglomerate and also its general manager, has launched many activities, including daily checkups into transport production and weekly meetings to analyze transport production and safety problems.

The Beijing Railway Administration has reached deep down into basic units to help unload goods from railway carriages, bringing the daily carriage unloading figure to 17,600.

Since the beginning of June, railway transport production at the administration has experienced sharp increases in daily carriage loading and unloading figures. Meanwhile, the administration transports an average of 2.64 million passengers each day, 131,000 people more than the related figure for last year.

In another development, 500,000 construction workers are also working heatedly on 10 major railway building sites across the country.

**Article Discusses Effects of Rural Labor Flow**  
*HK2806081693 Beijing CHINA DAILY in English 28  
Jun 93 p 4*

[Unattributed article: "Farm Labour Flow Upsets Socio-economic Balance"]

[Text] An exodus of rural labourers from the countryside, which has helped tilt China's socio-economic balance, has drawn concern from all levels of the Chinese Government.

In developed countries, rural labourers have been integrated into the urban workforce.

"It is a trend of history," says an article in MANAGEMENT WORLD magazine.

In introducing the market system in 1981, China began following in the footsteps of the developed countries. Rural labour mobility culminated at the end of the 1980s, with farmers swarming into cities and economically-developed provinces such as Guangdong.

However, a large number of those who have left the land have become drifters.

A study of farmers in Sichuan, Gansu, Henan, Hubei and Guangdong provinces and Beijing found that 70 percent of the rural labourers left their land on their own.

A decrease in cultivated land has left many farmers idle, the magazine says.

China boasts 93 million hectares of cultivated land and a rural workforce of 430 million.

There is still a plethora of 120 million rural labourers in the countryside after township enterprises and diversified business have absorbed 100 million and 30 million, respectively, says Management World.

Another 20 million labourers have poured into China's towns and cities.

The real engine driving the movement of labour away from the farm may be the relatively higher living standard in urban areas. A farmer from Hunan Province earns a monthly income of 500 yuan (\$88) in Guangdong Province, compared with the meagre 100 yuan (\$18) he gets from his home farm.

The boom in township firms in economically-developed areas, which badly need workers, has also created an opportunity for the surplus labourers.

Before the economic reform changed China's restrictive household registration system, Chinese farmers were not able to leave their land.

Since 1984, farmers have been allowed to run businesses or work in urban companies.

The government's loosening of controls on farmers has encouraged an influx into the cities, the magazine says.

The main sources of surplus rural labour are the densely populated but economically backward provinces such as Sichuan, Henan and Hunan.

The coastal provinces have been the preferred destinations for these labourers. Nowadays, the migration is shifting to the northwestern Xinjiang Uygur Autonomous Region, which has a severe labour shortage.

Most of the migrants are absorbed by the private sector.

Statistics from Foshan in Guangdong Province reveal that nearly 97 percent of the former rural labourers find employment with collectively-run township and private firms and join ventures.

The minority employed in State-owned enterprises end up in jobs their urban peers disdain.

China's mines, for example, have recruited a million farmers—5 percent of the nation's floating labourers.

Local governments first became aware of the migration from rural areas at the end of the 1980s. In Sichuan, 28 percent of the labourers who moved to other parts of China found jobs through local labour departments.

The long-term effects of labour mobility on China are still unknown but it has helped propel economic development.

The exodus of the surplus labourers, at the least, relieves pressure on local governments. In 1990, 1.8 million rural labourers in Sichuan left their home villages, accounting for 11 percent of the province's total surplus.

The surplus labourers leave in anticipation of a better life, and some of them have improved their living standards. In Gansu Province, 230,000 families in 46 poor and drought-stricken counties lifted themselves out of poverty in 1990 and 1991 by working in other provinces.

The 2,431 farmers from Sanhui County in Guizhou Province who work in Guangdong Province remitted 2.43 million yuan (\$426,000) to their families in 1990 and contributed a third of the county's revenue.

The best the rural labourers can do in urban areas is to learn new skills and become market-oriented. After several years of hard work in the cities, most of these "brain-washed" farmers return home. These skilled workers are then instrumental in developing township enterprises in the rural areas.

But every coin has two sides. The wave of migrant workers poses challenges for the cities.

China's urban areas have 10-15 million workers who are overemployed—that is, they are unnecessary—and 3 million who are jobless.

The labour market is saturated in the economically-developed areas, which include the coastal provinces.

As a result, the indiscriminate influx of rural labourers into the cities is believed to upset the balance of urban life.

The floating farmers are known for their hard work. However, the farmers' poor educational background keeps them in low-level jobs.

The 1990 statistics show that only 7.6 percent of the rural labourers were high-school graduates. Thirty-two percent completed junior middle schools. About 28 percent were illiterate.

Management World recommends vocational training programmes to better integrate rural labour into urban firms. In Guanghan, Sichuan Province, 27,665 farmers were trained in 1991 and 75 percent found non-agricultural work.

Better management of the rural labour market is also needed, the magazine says.

Beijing limits the number of rural labourers who can live in the capital and all employers have been asked to sign contracts with their employees.

**Chemical Industry Stresses Fertilizer, Pesticide**  
HK2606031093 *Beijing CHINA DAILY* in English 26 Jun 93 p 1

[By staff reporter Zhang Yuan: "Fertilizers, Pesticides Are Given Top Priority"]

[Text] China's Ministry of Chemical Industry will give top priority to developing fertilizers and pesticides.

Minister Gu Xiulian said yesterday that fertilizers and pesticides were essential in increasing grain, cotton and vegetable output.

The ministry is stepping up the construction of more advanced chemical fertilizer plants and pesticides research centres.

China's fertilizer production will be increased from last year's 20.39 million tons to about 26 million tons in 1995 and 30 million tons in the year 2000.

In the next three years, a number of large fertilizer plants, with a total annual output of 7.36 million tons, will be built. More plants will be built in the 1996-2000 period to add another 3.70 million tons of fertilizer a year.

The ministry will also endeavour to develop more compound fertilizer projects as well as phosphate and potash fertilizer plants.

Gu revealed that the Qinghai Potash Fertilizer Plant—the country's largest, with an annual output of 800,000 tons—would soon join a foreign investor to launch a joint venture to produce high-grade potash fertilizer, which is in short supply in China.

The ministry will also set up two national farm pesticides research and development centres—in Shanghai and Shenyang.

Gu urged the central government to give stronger support to the fertilizer industry and help it overcome its current difficulties.

Because of the continuous rise in the costs of raw materials, energy resources and transportation—against the background of a frozen fertilizer price—about 43 percent of the country's 1,779 chemical fertilizer plants were in the red, the minister said.

As the fertilizer price ceiling was designed to safeguard the interest of farmers, the fertilizer industry should be subsidized by the government to ensure smooth production.

Gu invited foreigners to launch wide-ranging cooperation with their Chinese counterparts in such fields as fine chemicals, high-tech chemicals and chemical products needed by other fast-growing industries, including the automotive and electronics sectors.

**State Decrees Improving Grain Processing**  
*OW2806152293 Beijing XINHUA in English 1440  
GMT 28 Jun 93*

[Text] Beijing, June 28 (XINHUA)—The State Council, China's highest governing body, has stressed the importance of improving the handling of grain products while adjusting the turnover of employees doing grain processing.

In a circular issued recently, the State Council said, "In the reform of government institutions, the establishment of local grain administrative offices is determined by local governments, but there must be an organization in charge of grain processing."

The circular said grain is a special commodity vital to both the national economy and people's livelihood.

It said, "with government controls over grain prices and operation lifted, grain administrative departments and state-owned grain businesses still perform such important functions as making arrangements for the market, purchasing grain from farmers, combating natural disasters, assisting disaster victims and supplying grain to troops."

It called for a very sober understanding of the grain situation in China. "For a fairly long period to come, we will not be able to say the problem of adequate grain production has been solved," it said.

Having decontrolled grain prices and operation, China has not passed the test of grain production and market fluctuations. The circular warned against the tendency towards relaxing efforts in grain processing. It also stressed that state-owned grain businesses must continue playing their role as a "major channel" in grain production and operation.

The circular said that now is the time to purchase summer grain. Governments at all levels must make sure that enough funds are arranged for the purchase of summer grain and oilseeds. No I.O.U.'s are to be given to farmers for the purchase of their farm and sideline products this year, it said.

**State Issues Circular on Food Structure Reform**  
*OW2806121893 Beijing XINHUA Domestic Service in Chinese 2116 GMT 11 Jun 93*

[Text] Beijing, 12 Jun (XINHUA)—The State Council recently issued a circular concerning the printing and distribution of the "Outlines for China's Food Structure Reform and Food Development in the 1990's," calling on all provinces, autonomous regions, people's governments of municipalities directly under the central government, various ministries and commissions, as well as organs directly under the State Council to earnestly study and implement it accordingly.

The State Council's circular pointed out: Since the founding of New China, our people's food situation has undergone profound changes, and now it has entered a new and important stage of development. Formulating and putting into effect in a timely manner an outline for food structure reform and food development in China is of great significance for providing correct guidance for adjusting the food structure in our country, promoting a balanced and coordinated development of food production and consumption, ensuring a sustained and stable growth of our national economy, and continuously enhancing the nutritional level and overall quality of our people. People's governments at all levels must attach great importance and give better guidance to work related to food, act in accordance with the "Outlines for China's Food Structure Reform and Food Development in the 1990's," and draw up a corresponding outline for food development for their respective localities in light of local conditions, and gradually implement it in an organized way. In accordance with the basic objectives and policy measures put forward by the "Outlines for China's Food Structure Reform and Food Development in the 1990's," various relevant departments under the State Council should vigorously coordinate with one another and make concerted efforts to promote and ensure the smooth realization of China's food structure reform and food development objectives for the 1990's.

The "Outlines for China's Food Structure Reform and Food Development in the 1990's" is divided into four parts and 23 articles. This agency has transmitted the full text of the outlines today.

### East Region

#### Anhui Studies Plan To Screen Fund Misuse

OW2806121993 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 11 Jun 93

[From the "Provincial Hookup" program]

[Text] On the morning of 9 June, the work committee for organs under the provincial committee held a meeting on double screening work. The meeting discussed special plans for organs under the provincial committee to further implement the guidelines of the Ninth Plenary Session of the Fifth Anhui Provincial CPC Committee. The meeting also worked out plans to specially screen cadres and staff of organs under the provincial committee who have obtained short-term loans from public funds as well as to screen cadres who have used their powers to send their children and relatives to schools with public funds.

Yang Daode, secretary of the work committee for organs under the provincial committee, presided over the meeting. Zhou Zhigao, deputy secretary of the work committee, worked out mobilization plans for double screening work for organs under the provincial committee. Comrade Chen Guanglin, standing committee member of the provincial party committee and secretary of the Commission for Discipline Inspection, delivered an important speech at the meeting.

In his speech, Chen Guanglin stressed: Double screening work is an important move for straightening out party style and for strengthening the building of a clean administration. Organs under the provincial committee should take the lead in showing a good example in provincial double screening work. Currently, seizing opportunities and accelerating development to uplift Anhui's economy is already a very urgent, glorious, and arduous task for the people in the entire province. To develop, it is necessary to raise funds; however, large sums of funds have been borrowed by individuals over a long period. This has seriously hampered and affected economic development. Therefore, double screening work currently seems very urgent. In the course of screening and correcting the situation, we must uphold the principle of immediate and comprehensive screening. We must vigorously implement our plans and stress practical results to forge a good beginning for provincial double screening work and drive the work to a new level.

#### Fujian Takes Steps To Lighten Peasants' Burdens

HK2606074093 Fuzhou Fujian People's Radio Network in Mandarin 1100 GMT 24 Jun 93

[Excerpts] The provincial government called a meeting today for 44 affiliated organs which have been found to impose unduly heavy burdens on peasants. The meeting was aimed at studying ways to reduce burdens borne by peasants. [passage omitted]

It has been learned that Fujian has made great efforts in lessening peasants' burdens. A total of 44 organs directly under the provincial authorities are found to play a part in imposing burdens on peasants, while fees for 308 items and 14 fund-raising projects have been arbitrarily imposed on peasants. [passage omitted]

To ensure that all documents and items leading to unduly heavy burdens on peasants can be sorted out by 10 July, Vice Governor Liu Mingkang put forward the following demands for organs directly under the provincial authorities:

1. Efforts should be made to heighten people's understanding and reinforce leadership in this aspect and enable people to understand that the task of lightening burdens on peasants is not only an economic issue but a political one as well. [passage omitted]
2. It is necessary to find out the root cause of the problem and try to effect a radical cure. The leading members of organs directly under the provincial authorities should take personal charge of the work and strive to sort out all documents leading to the arbitrary impositions of burdens on peasants by the end of June, and submit a work report to the provincial supervision and control office on lightening burdens on peasants by 1 July. [passage omitted]
3. Strides should be taken to enforce party and government discipline in strict accordance with the decisions of the central authorities.
4. Supervision and inspection should be conducted unremittingly. [passage omitted]

In another development, at today's meeting called by the provincial government regarding lightening burdens on peasants, a circular was released concerning the decision of the provincial government to cancel 13 items from expenses borne by peasants. Formulated by the five departments of agriculture, light industry, machinery, public security, and forestry, items being canceled today include fees for improving production techniques of cash crops; enrollment fees for applied technical training; fees for training tractor drivers; and fees for certificates, forms, and stationery.

#### Shanghai Lists Light Industry Reform Measures

OW2806141493 Shanghai JIEFANG RIBAO in Chinese 8 Jun 93 p 2

[By reporters Qiu Xin (5941 2450) and correspondent Huang Mingxu (806 2494 2485)]

[Text] Shanghai's light industrial system, which has many age-old enterprises, will see its profits reduced by 1.2 billion yuan this year as a result of price hikes of raw and semifinished materials. Yesterday, the system announced 10-point measures for all-around, system-wide reform.

The 10-point measures are: Accelerate the transformation of operational mechanisms. With Shanghai Household Chemicals, Guanshenyuan, and eight other companies taking the lead, the bureau will try to implement this change in one-third of the enterprises under its jurisdiction within the year. Bring enterprises' operational mechanisms in line with international standards. The goal for this year is to have two or three enterprises acknowledged by authoritative international product quality agencies and three or four enterprises win the "Shanghai Good Quality Medal." Deepen reform of the labor system in an all-around way. All enterprises under the bureau are required to implement, within the year, the labor contract system across the board to change the status of state employees into enterprise employees. Improve the various incentive mechanisms such as demanding risk deposits from contractors, introducing a full risk contract system among sales personnel, and adopting contracts among scientific and technological personnel for project development and efficiency improvement. Active efforts will be made in testing the shareholding cooperative system. We will implement it in an all-around way among collective, small state-owned, and service enterprises; the goal for this year is about 50 enterprises. We should vigorously develop export-oriented enterprises and "draw on experience to facilitate reforms." This year, the bureau will complete the registration of 30 foreign-funded enterprises with a combined investment of \$400 million, more than 10 of which are projects over \$20 million in investment in partnership with major foreign corporations. There will also be eight transnational investment projects outside China. Transform the functions of the bureau's organs to reduce their micromanagement and improve their macromanagement. Continue to delegate powers in matters related to investments, joint operations, and manufacturing of brand name goods.

Meanwhile, the light industry bureau also formulated reform plans for reforming company structures and reducing the size of accounting units.

**Commentary on Foreign Investment in Zhejiang**  
OW2806152493 Beijing XINHUA in English 1505  
GMT 28 Jun 93

[Unattributed commentary: "Foreign Investors Eye China's Basic Industries"]

[Text] Hangzhou, June 28 (XINHUA)—An international consortium has invested a billion U.S. dollars in the construction of a petrochemical center at Ningbo, an industrial city in east China's Zhejiang Province. Miles away from the construction site, a jointly funded iron and steel plant is also taking shape.

These are only a few signals of the rising interest of overseas investors in China's infrastructural industries such as the energy resources, communications and raw

materials industries. Economists predicted that this tendency will have a profound influence on the ongoing economic reforms and development in the country.

Economists here contributed this tendency to the increasing number of international consortia edging into the country, groups which have expanded into almost every economic field. Several years back, overseas investment mainly focused on the electronics and light industries, which could yield quick profits.

Before 1991, in Zhejiang there were only a few foreign-funded projects with an investment of more than ten million U.S. dollars each. But over the past few months of 1993, the province has admitted the establishment of 10 foreign-funded enterprises with a total investment of nearly 10 billion yuan or about 1.8 billion U.S. dollars.

Among the projects, businessmen from Hong Kong will invest more than 100 million U.S. dollars in the construction of China's first jointly-funded railway line, and international financial groups will put over 100 million U.S. dollars into the construction of an express highway between Hangzhou and Shanghai and 360 million U.S. dollars in a power plant.

At a recent trade fair, overseas investors were encouraged by the local government to invest in 388 projects including an international airport and a nuclear power plant.

Economists attributed the rising interest in basic industries to increasing enthusiasm of foreign investors in China's policies and the encouragement and support of local governments.

The investment tendency is no doubt good news for the localities.

Electricity has long been in shortage in the coastal province for lack of enough investment in the power industry. Since 1992 foreign investment began to flood into the power industry of the province. So far contracts for the construction of six large-scale power plants have been signed, involving a total overseas investment of nearly 20 billion yuan or 3.6 billion U.S. dollars.

To attract foreign investment in infrastructural industries, many coastal provinces have mapped out and publicized a series of preferential policies. The provincial government of Zhejiang claimed recently that investment in communications, energy and ports construction will be exempted from five to ten years of local income tax.

A Chinese official said that increasing foreign investment in infrastructural industries will further push forward the export-oriented economy in the country.

**Southwest Region****Guizhou's Qianxi County Reimburses Peasants**

HK2806075093 Beijing XINHUA Domestic Service in Chinese 1329 GMT 25 Jun 93

[By correspondent Yang Long (2799 7893): "Guizhou's Qianxi County Returns 170,000 Yuan in Irregular Charges to the Peasants"]

[Text] Guiyang, 26 Jun (XINHUA)—In order to protect the peasants' interests, Qianxi County of Guizhou Province recently reimbursed local peasants for a total of 170,000 yuan in irregular charges.

In order to resolutely protect the peasants' legitimate rights and interests and to arouse their enthusiasm for production, the party committee and government of Qianxi County, which is situated in a poor mountainous area, issued an "Urgent Circular on Banning the Irregular Imposition of Charges and Fines on the Peasants" late last year. According to the document, peasants only pay taxes according to the relevant provisions of the laws and regulations, fulfill the state's farm produce purchase orders, make contributions to public funds in their own villages and townships, and fulfill a certain quantity of unpaid work assignments. If any government departments at various levels irregularly charge fees, impose fines, and raise donations without authorization, villagers have the right to turn down these demands and refuse to pay. If any departments ignore this ban and continue the irregular activity, their leaders will certainly be censured. At the same time, supervision and management stations specializing in peasant burdens have been set up in all 28 townships of this county.

Over the last few months, the county has found that more than 100,000 yuan of land use fees for house construction and more than 70,000 yuan of land ownership investigation fees were charged irregularly. The money was resolutely returned to the peasants.

**Sichuan Holds News Briefing on Drug Enforcement**

HK2706034593 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 23 Jun 93

[Text] Since the beginning of this year, public security organs at all levels across the province have cracked over 200 drug-related cases, seized more than 50 kg of drugs, and arrested over 200 drug dealers and traffickers. Meanwhile, people's courts at all levels have sentenced more than 60 drug criminals according to the law.

Reporters learned the above information from a provincial news briefing which was held in Chengdu yesterday [23 June], marking the coming 26 June International Drug Control Day.

At the news briefing, (Li Shufen), office director of the provincial Narcotics Control Committee and deputy head of the provincial public security bureau, first

briefed the meeting on Hunan's present drug control situation. Then, Liu Ping, standing committee member of the provincial party committee, deputy secretary of the provincial politics and law commission, and head of the provincial public security bureau, delivered a speech at the news briefing.

In his speech, he first extended cordial regards and heartfelt thanks on behalf of the provincial party committee to drug control departments at all levels throughout the province, and to public security officers, police, prosecutors, and judges working on the forefront of the antidrug struggles. Comrade Liu Ping noted: Located in a strategic position on a major thoroughfare for drugs coming from beyond our borders flowing into the international drug market, Sichuan is directly affected and influenced by international drug sources, and the criminal activities of drug dealing and trafficking tend to increase on a yearly basis. To counter such a situation, public security, customs, public health organs and other departments concerned should give full play to their professional functions so as to deal severe blows to drug related criminal activities.

**Tibet Chairman on Development, Ethnic Unity**

OW2606014893 Beijing Central Television Program One Network in Mandarin 1100 GMT 25 Jun 93

[Interview with Gyaincain Norbu, Tibet Autonomous Regional chairman, by unidentified station reporter at Yamzho Yumco Pump-Storage Power Station; date not given; recorded; from the "National News Hookup" program]

[Text] [Video shows Gyaincain Norbu, in hard hat and blue jacket, talking to a reporter at a construction site; video cuts to show Gyaincain visiting rural households and farms] [Reporter] Mr. Chairman, how are you? You were elected chairman of the Tibet Autonomous Region at the First Session of the Sixth National People's Congress [as heard] this year. Though it has developed rather rapidly since the beginning of this year, Tibet's economy is still underdeveloped when compared with the rest of the country. What major factors do you think are impeding Tibet's economic development?

[Gyaincain Norbu] I would summarize the major factors that impede our region's economic development with the following words: Energy, transportation, communications, education, skilled manpower, and funds. I think Tibet lacks professionally trained personnel for reform, opening up, and economic development. The regional people's government takes this matter seriously. At present, we need to tackle the following three tasks urgently: 1) We should formulate preferential policies to retain our current skilled manpower while attracting new professionally skilled personnel; 2) we should make educational development a strategic priority; we should rally all forces in society to promote education while implementing relevant special policies; and 3) we should

continue to develop vocational, technical, and adult education as a way of upgrading the existing work force through various channels.

[Reporter] What are your expectations and demands regarding the development of minority cadres?

[Gyaincain Norbu] Our country is a multi-ethnic one. The Tibetans, as a member of the motherland, have the glorious tradition of always preserving the motherland's unity and opposing splittism. I hope that people of all nationalities will inherit and carry forward the tradition of preserving the motherland's unity and opposing all splittist activities. Currently, our region has more than 100,000 cadres of various nationalities, who have firmly fostered the idea that they are inseparable from each other. They help, trust, and learn from each other, thereby enhancing ethnic unity. We should measure up to the expectations harbored by the broad masses of people.

#### Researcher Discusses Han Emigration Into Tibet

OW2606045493 Beijing China Radio International in Mandarin to Asia 0900 GMT 23 Jun 93

[From the "Report on Current Events" program]

[Text] Listeners, associate researcher (Basang Luobu), an expert in Tibetan studies, China, recently commented to reporters on the issue of China's planned emigration to Tibet, which is falsely claimed by some people in foreign countries. He said that there is no such emigration problem of the Han nationality into Tibet. (Basang Luobu) said: The Tibet Autonomous Region now has a population of some 2.19 million. Its Tibetan population is over 1.78 million, accounting for 95.5 percent of Tibet's total population. In addition, there are some minority nationalities such as the Hui, Monba, Lhoba, Nu, and Naxi in Tibet. Tibetan and other minority nationalities account for 96 percent of Tibet's total population, while the Han nationality only accounts for 3.7 percent. Population figures show that Tibetan and other minority nationalities constitute the majority of the Tibet population. There is no such emigration problem for the Han nationality.

Forty-seven-year old (Basang Luobu) was born into a serf family in Tibet. After graduation from the Tibet Institute of Nationalities, he worked as a reporter and chief editor for a magazine. Now he is the vice president of the Tibet Academy of Sociology. He has done considerable research in Tibetan studies and has published a number of influential theses such as *Tibetans' Brilliant Achievements During the Opium War* and [passage indistinct]. Last August, he attended an international seminar on Tibetan studies in Norway as a member of a Chinese delegation.

(Basang Luobu) held that there are two problems that need to be clarified regarding the Tibet population issue. One is how inlanders who come to render aid to Tibet should be treated; and the other is how businessmen

from the hinterlands who come to Tibet for business should be treated. He said: Since Tibet was peacefully liberated in 1951, a number of cadres, workers, technicians, and students of the Han nationality from China's hinterlands have come to Tibet working and supporting its construction. For example, 43 key modern construction projects such as the Lhasa Holiday Inn, a stadium, and a recreation center, which were built during 1984-1985, are the fruit of unity between the Tibetan and Han nationalities. Of course, there is a time limit for workers, cadres, technicians, teachers, and doctors who come to work in Tibet. For some, it is four years; and for others, eight years. The majority of those who came to Tibet to work from the 1950s to the 1960s have returned to the hinterlands. Although there are still minority nationality cadres working in Tibet, they, the majority of whom are of Tibetan nationality, have become the main body in charge of Tibet's local affairs.

(Basang Luobu) said: Inlanders who come to do business in Tibet constitute a natural flow of population in the development of a commodity economy. To promote economic development in Tibet, since the early 80's the Tibet Autonomous Regional Government has formulated policies to welcome businessmen from foreign countries, Hong Kong, Macao, and Taiwan to do business and set up joint-venture enterprises and to welcome entrepreneurs from the hinterland to do business in Tibet.

After arriving in Tibet, inlanders become involved in the construction industry, commerce, and catering services, giving impetus to the emergence of tertiary industries in Tibet. As of last year, the total output value of Tibet's tertiary industries had reached 1.7 billion yuan, accounting for 40 percent of Tibet's gross national product. At the same time, inlanders engaged in commercial activities in Tibet have brought a large quantity of commodities to Tibet, thereby invigorating Tibet's market. They also pay taxes according to the law, thereby increasing Tibet's financial revenues. He said: In view of the vigor and vitality injected into the Tibetan economy, the setting up of enterprises in Tibet by businessmen and entrepreneurs from the hinterland is a significant matter. Most of their families and children are still in the hinterlands. This and the so-called planned emigration into Tibet are two entirely different things.

#### Northwest Region

##### Gansu Radio Urges Resisting Irrational Burdens

HK2806063493 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 24 Jun 93

[Station commentary: "Our Peasant Friends, Straighten Your Backs"]

[Excerpts] Although the subject of reducing burdens on peasants has been the subject of heated discussion recently, the problem of imposing unduly heavy burdens on peasants is far from being totally resolved.

To effect a permanent cure to this problem, leaders and leading bodies at all levels, as well as relevant departments and their responsible persons, are all playing a crucial role, while peasants themselves also should straighten their backs, and should justly and forcefully resist any irrational imposition of fees and quotas. It should be noticed, above all else, that the party Central Committee and the State Council have always been concerned with the development of rural areas and the living conditions of peasants. This can be proved by the recent cancellation of a number of fees originally enforced, even by red-letterhead documents [central government documents]. [passage omitted]

The provincial party committee and government have been resolved in their implementation of the essence of emergency meetings and teleconferences called by the central authorities on lessening burdens on peasants. Provincial leaders Gu Jinchi, Yan Haiwang, and others have taken charge of the work personally, and often urge people to focus their attention on this issue, while people's congresses at all levels have launched a series of activities to supervise progress in this aspect. Meanwhile, the mass media also have carried a many reports and comments, all stressing the need to strengthen supervision and fulfill the work down to every household. [passage omitted]

Our peasant friends, what misgivings do you still have under the present encouraging situation? Of course, we should resort to appropriate ways and means when trying to straighten our backs. Peasants undoubtedly have earned greater incomes in recent years, yet increases in their incomes have been outstripped by increases in their burdens. This problem is can be attributed to complicated causes, and it would be better for us to sort out all these causes first and adopt proper and reasonable methods to cope with the problem. [passage omitted]

From a short-term point of view, resisting irrational burdens on peasants is aimed at safeguarding the immediate interests and rights of peasants, yet, from a long-term point of view, it also is aimed at safeguarding the interests and rights of the entire Chinese nation and our country, at enabling reform and opening up to yield better results, and at bringing about greater success in developing the socialist market economy. We can ask ourselves such questions as: If we fail to improve the lives of peasants, who have little money in hand, how can there be an extensive market for the industrial products turned out by urban dwellers? Without an extensive market, how can industrial production in urban areas maintain high-speed growth in the future? Without rapid industrial growth in urban areas, urban dwellers will have no way to increase their financial income, which eventually will restrict and dampen their demands for agricultural products. Such a situation, in turn, will have an adverse effect on the development of a commodity economy in rural areas. Therefore, fundamentally speaking, relieving peasants of their unduly heavy burdens is aimed at enabling our country's economy to grow

at a faster pace. While you are protecting your own legitimate interests and rights, you virtually are protecting the interests and rights of our country at the same time.

Dear peasant audience, dispel your misgivings and straighten your backs!

### **Qinghai Capital Construction Investment Grows**

*HK2806154693 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 24 Jun 93*

[Text] In the first five months of this year, over 580 million yuan of capital construction investments were completed in our province, registering a growth compared with the same period of last year.

Investment distribution is as follows: Investment in primary industry dropped 21 percent; investment in secondary industry slightly increased; and over 48 million yuan of investments in tertiary industry were completed, registering 85 percent growth, which was the fastest, compared with the same period last year. Among which, investment in commerce, the catering industry, and the supply and marketing sector increased by 450 percent, whereas investment in the financial and insurance sectors increased by 350 percent.

### **Xinjiang Lists Steps To Control Fee Imposition**

*OW2906083793 Urumqi Xinjiang Television Network in Mandarin 1655 GMT 11 Jun 93*

[Announcer-read report from the "Xinjiang News" program]

[Text] At a 10 June mobilization meeting on further redressing the three indiscriminate practices and on changing the functions of government departments, Tomur Dawamat, chairman of the Xinjiang Autonomous Regional People's Government, announced the principles for curbing the three indiscriminate practices. He urged all localities and departments to investigate and tackle the problems according to these principles and not to enact other principles or willfully alter the ones that had been announced. These principles are:

1. Canceling all administrative and operating fees and various cash deposits charged by all localities, departments, and units without the approval or authorization of the state, the autonomous regional people's government, and the autonomous regional commodity price bureau and finance department;
2. Canceling all unauthorized operational fees charged outside the limits of examining and approving authority;
3. Canceling all fees charged as separate items or in addition to the main items;
4. Allowing only one department to collect fees of a certain nature and type at officially set rates while canceling similar fees charged by other departments;

5. Canceling all fees charged by state administrative organs for official business that falls within their normal functions but is not stipulated in laws and regulations;
6. Canceling all fees charged for paid services or consultations regarding official business that fall within the normal administrative functions of state administrative organs but are entrusted to their affiliated institutions or companies and centers;
7. Canceling all administrative and operating fees for the purpose of apportioning expenses;
8. Canceling all fees or tie-in sales of commodities imposed upon units or individuals under the pretext of conducting appraisals, renewing inspection certificates and licenses, and conducting other inspections;
9. Canceling all fees charged by state organs or industry administrative departments for illegally issuing certificates and licenses, or above-cost fees charged by these organs or departments for legally issuing certificates and licenses;
10. Conscientiously implementing various regulations enacted by the central authorities on lightening peasants' burdens; resolutely abolishing all fees whose cancellation has been announced by the central authorities for the purpose of alleviating peasants' burdens;
11. Lowering, after conducting thorough checkups, all exorbitant or unauthorized rates at which fees are collected; confiscating all income earned from fees collected illegally;
12. Banning all fees charged without collection permits or for which no unified receipts are issued, except in cases where there are other provisions;
13. Canceling all other fees charged indiscriminately;
14. Confiscating and delivering to treasuries all fees collected indiscriminately and outside official limits after investigation and verification by commodity price

departments; banning the indiscriminate disbursement of all collected fees outside the scope of financial management and spending; and

15. Allowing the autonomous regional commodity bureau and finance department to arrange for lower rates as a flexible adjustment of rates for some state-stipulated administrative and operating fees in light of Xinjiang's actual capabilities; implementing lower rates for some administrative and operating fees set by the autonomous region with the approval of the autonomous regional commodity price bureau and finance department after they are proposed by prefectural, autonomous prefectural, and city commodity pricing and finance departments to suit their local conditions.

**Xining Sentences Two Drug Traffickers To Death**  
*HK2306095493 Xining Qinghai People's Radio Network  
in Mandarin 2300 GMT 17 Jun 93*

[Text] On 16 June, two arch-criminals, drug traffickers (Shi Liansheng) and (Zhang Chungui), were sentenced to death by the Xining City Intermediate People's Court, though the latter was granted a reprieve. They were deprived of their political rights for life.

(Shi Liansheng), who was from the city of Shangzhou, in Shaanxi Province, came to Xining in 1989. He gave over 2,500 grams of opium to others for sale, but was discovered by our police. (Zhang Chungui), who came from the village of (Gonggang) in (Hualin) Township, (Dagu) County, and others were arrested by police when they came to Xining in late December, 1988 to sell drugs, and 75.5 grams of heroin was seized.

The Xining City Intermediate People's Court held that (Shi Liansheng) and (Zhang Chungui) trafficked in large quantities of drugs, which constitutes a severe crime. (Zhou Shengfa), (Zhu Shengming), (Qi Yejiao), and (Fang Raohuai), who took part in drug trafficking as accessories, were sentenced to imprisonment ranging from 10 to 15 years.

**Taiwan Businessmen Investing in Northeast Asia**  
*OW2806095493 Beijing XINHUA in English 0744*  
*GMT 28 Jun 93*

[Text] Harbin, June 28 (XINHUA)—An increasing number of businessmen from Taiwan are showing big interest in the economic development of Northeast Asia, getting involved in border trade between China's Heilongjiang Province and Russia, and other countries of the Commonwealth of Independent States.

From 1992 to the first quarter of this year, the Heilongjiang Provincial Government has approved 159 Taiwan-funded enterprises, with a total investment of 311.82 million U.S. dollars.

The Taiwan businessmen are taking advantage of the geographic location of the province to participate in economic and trade expansion in northeast Asia.

Harbin has about 100,000 Russians who settled in the city early this century. The city was known as the "Paris of the Orient".

Since Russia began to follow a market economy, Taiwan's products have become very popular, said a local businessman. Good profits can be made by setting up

processing plants in Heilongjiang to manufacture medium-grade light industrial products for marketing in Russia, he said.

Since China and the Republic of Korea established diplomatic relations, Taiwan businessmen have had to deal with a new competitor in addition to Japan.

Investment from Taiwan has concentrated on timber and wooden products, shoes, food, cosmetics, small electronics and real estates.

**Shanghai, Taiwan, HK Jointly Shoot TV Series**

*OW2706144993 Beijing XINHUA in English 1427*  
*GMT 27 Jun 93*

[Text] Shanghai, June 27 (XINHUA)—A 25-part TV series is being shot with joint efforts from Shanghai, Taiwan and Hong Kong for the first time.

Film crews first shot five episodes of the TV series, named "Mortals Beyond Tears," and broadcast them in Taiwan. They proved very popular with the Taiwanese audience.

Official production began yesterday. The series tells the story of a pair of young lovers who grow up in Shanghai and later go to Hong Kong and Taiwan separately. It also features the struggles in the commercial world in these places.

**Editorial on Nuclear Power Plant Budget**  
*OW2906074493 Taipei CHINA POST in English 23 Jun 93 p 4*

[Editorial: "Nuclear Need"]

[Text] The ruling Kuomintang (KMT) must use its vast majority to defeat a proposal by opposition Democratic Progressive Party (DPP) lawmakers to suspend an NT\$7.9 billion [new Taiwan dollars] (US\$300 million) budget unfrozen by the last legislature to fund initial stages of work on a long-delayed nuclear power project. KMT lawmakers put the DPP's proposal to re-freeze the budget to the vote at a joint committee meeting on Monday [21 June] and won, but agreed to nullify the result later in the day because voting procedures were flawed in the midst of a brawl over the issue.

The legislative caucuses of the KMT and DPP at the same time agreed to debate the issue again at a plenary session today and then to decide it with a registered vote in an attempt to let the public know who voted for and against the nuclear power project. The decision to allow the constituents to understand their legislators' stance on the project should encourage more KMT lawmakers to cast a positive ballot.

For more people, especially those from the business community, are now voicing support for the project, as shown in recent newspaper ads and demonstrated by rallies outside the Legislative Yuan the other day to counter antinuclear activities. Today's vote will be a big test of the KMT-led government's ability to deal with environmental issues. Should the ruling party fail to block the opposition's attempt to re-freeze the budget, it will seriously damage public confidence in the government's power and its ability to protect industrial projects against irrational environmental protests.

It is simply against logic for the DPP to try to reverse a bill already approved by a previous legislature. If the DPP has its way and a precedent is established, legal instability and chaos will certainly follow, as any legislator will be able to invoke that precedent and seek to nullify a law he or she does not like for one reason or another.

Besides, the DPP in looking for a vote against the project reflects the opposition's ignorance of the fact that the proposed NT\$165 billion (US\$6.3 billion) fourth nuclear power plant of the state-run Taiwan Power Company long ago won environment-impact assessment approval from a panel of experts and nuclear activists. The issue of whether or not to allow the construction of the technologically complicated nuclear project should be determined by experts using their specialized knowledge, not by people based on unwarranted environmental concerns.

In fact, many DPP politicians and environmental groups not only oppose the fourth nuclear power plant, but also are opposed to the construction of conventional power

generating facilities. Unless environmental excesses are overcome, Taiwan will soon face a most serious problem of not having enough electricity to sustain economic growth and satisfy increasing household demand.

For the fourth nuclear power project, much of the problem still has come from opponents' concerns about the plant's potential safety and environmental problems. Taipower needs to dispel these concerns by giving assurance that the equipment and technology to be purchased for the project will be the world's most advanced and will have the least chance for failure. Taipower also needs to demonstrate that it can better manage its three nuclear power plants now seem in operation. These facilities seem to have a relatively higher incidence of SCRAM, an emergency shutdown which occurs when a reactor's control rods accidentally stick into the equipment's core. Also, Taipower must let the public know how it plans to dispose of radioactive waste. This has become a concern as Taipower is facing the difficulty of finding new sites to restore additional radioactive materials.

In short, Taipower must ensure that the planned fourth nuclear facility, as well as the existing three plants, will be absolutely safe and that its environmental impact can be reduced to an acceptable level.

**DPP Says KMT Rigged Nuclear Budget Vote**  
*OW2906075893 Taipei CHINA POST in English 25 Jun 93 p 16*

[Text] Opposition lawmakers yesterday accused colleagues of the ruling Kuomintang [KMT] of rigging votes on whether to freeze the budget for the building of a fourth nuclear power plant on Taiwan.

The Legislative Yuan voted on Wednesday [23 June] if the plant budget should be reviewed for a second time.

The KMT and the DPP [Democratic People's Party] made opposite announcements about the voting results.

The KMT said the majority of the lawmakers agreed not to review the budget again, and that Taiwan Power Company can go on with the construction of the plant.

The DPP contended that most legislators voted to have the budget reviewed again. The party also yesterday accused the KMT of vote rigging and attempting to use procedural tricks to avert further screening of the plant's budget.

DPP legislative whip Chen Shui-bian said the DPP will raise questions concerning the violence that erupted Wednesday during the voting, and the validity of the results announced by KMT legislative whip Liao Fu-teen.

DPP lawmaker Huang Chao-huei and KMT lawmaker Shih Tai-sheng were hospitalized after a scuffle during the vote.

Taipower's president, Chang Si-min, visited Huang and Shih yesterday at the National Taiwan University Hospital.

Huang and Shih fell into a scuffle after Huang jumped up to the chairman's desk to grab votes.

Huang said the vote should be whether or not to "freeze" the budget of the plant, not to "discuss" whether or not to freeze it.

He said the description on the ballot is not to the point, and is actually a KMT trick to muddle through the budget for the plant.

The Legislature faced the most chaotic scene ever as anti-nuclear protesters stormed into the chamber to denounce the KMT for disregarding the environment of Taiwan.

#### **Editorial on Results of Nuclear Budget Voting**

*OW2906071793 Taipei CHINA POST in English 25 Jun 93 p 4*

##### **[Editorial: "Violent Contention"]**

[Text] A joint legislative committee meeting on Wednesday [23 June] voted 36-23 to block an opposition Democratic Progressive Party [DPP] proposal to re-freeze an initial budget for a long-delayed nuclear power plant amid bloody fighting between the project's proponents and opponents.

The fighting, which left several legislators and others seriously injured, occurred as anti-nuclear activists stormed into the meeting chamber to join DPP lawmakers in harassing and impeding the process of a vote on the issue.

It is regrettable that the debate of the nuclear power project turned into serious violence. People and politicians, whether they support or oppose the project, have the right to voice their views and seek to influence legislation.

But the final decision on whether or not to keep the nuclear plant budget alive must be left for the legislators to make. This is the normal practice of democratic politics. But unfortunately, that was not the case.

Many DPP lawmakers and anti-project activists used violent means to harass ruling Kuomintang lawmakers casting votes in support of the project and to prevent the counting of ballots. What is also regrettable is a DPP decision made afterward to refuse recognition of the results of Wednesday's voting and its avowal to continuously boycott the budget when it is submitted to the legislature's plenary session. This DPP policy also counter to the principle of democratic politics. The 36 yes ballots cast in favor of keeping the budget all unmistakably bear the names written on them by the voters, as do the 23 nay votes.

This is a clear winning majority for pro-nuclear lawmakers and the ruling KMT. To refuse accepting the results is to refuse observing the majority rule, the most important law of parliamentary politics. DPP politicians like to cite various reasons for their persistent opposition to the establishment of the NT\$165 billion [new Taiwan dollars] (US\$6.3 billion) fourth nuclear power plant of the state-run Taiwan Power Company.

But the DPP has failed to come up with a credible alternative power-generating program that can best help Taiwan avert a serious electricity shortage in the years ahead because of lagging new investment hindered by opposition politicians and environmental groups.

The DPP must not oppose the ruling party just for opposition's sake. It has to exercise opposition on a merit basis. This is what loyal opposition is supposed to be.

It is also disturbing that many members of the public have allowed their objection to the nuclear project to become emotional. Few seem to remember that they are opposed to the program mainly because of safety considerations.

Opponents of the project, therefore, should require Taipower to produce scientific evidence that the equipment and technology to be adopted in the fourth plant will be absolutely safe. This should be the key point in determining whether or not to allow the company to proceed with the fourth nuclear project.

#### **Officials Discuss Rate of Investment in Mainland**

*OW2906074993 Taipei CHINA POST in English 25 Jun 93 p 16*

[Text] Government officials yesterday expressed concern over plans of 104 stock listed local companies to invest up to NT\$47.3 billion [new Taiwan dollars] in mainland China, fearing such exodus would derail local economic development.

Current government regulations require mainland investment projects by local listed firms to first pass approval of the companies' shareholders before final approval by related government units.

But as of yesterday, 104 companies out of a total of 270 companies have had their projects approved by shareholders. The companies are required to hold their annual shareholders meeting before the current fiscal year ends on June 30.

The current trend indicates that the mainland investment fever has spread to leading local manufacturers from the initially small and medium enterprises.

In contrast, domestic investment willingness among the listed companies has remained sluggish, with less than NT\$10 billion worth of such investment projects passed by shareholders of the listed companies.

Government officials fear the slack investment willingness will be detrimental to local economic development as the ideal of "keeping business roots in Taiwan" will be seriously undermined.

Chen Ming-chang, director of the economic department of the Mainland Affairs Council, urged enterprises to rethink their mainland investment plans, especially amid the sharp depreciation of the renminbi and high inflation in the mainland.

Chen said investing in the mainland is not the only way to boost Taiwan's competitiveness in the international trade arenas.

He said that since the government will implement an economic stimulus package, the exodus of local companies to the mainland for investment activities is anything but suitable.

Officials with the Investment Commission noted that they have not yet received applications from local companies for their mainland investments. The commission officials said it will take into consideration the impact of the planned investments on the local economic development and national security in approving the applications.

#### Official Meets New GATT Leader in Geneva

OW2806145293 Taipei CNA in English 1344 GMT 28 Jun 93

[Text] Geneva, June 27 (CNA)—Vice Economics Minister Hsu Ke-sheng met with the new secretary-general for the General Agreement on Tariffs and Trade (GATT) Sunday [27 June] to enlist his support for the Republic of China [ROC]’s bid to enter the international organization.

Peter Sutherland, who will officially replace Arthur Dunkel on July 1, said he understood the ROC’s efforts to enter GATT. Sutherland, who was a member of the European Community commission between 1985-89, visited Taiwan two years ago.

Hsu expressed the hope that Sutherland would also support the ROC’s bid to act as an observer at the Uruguay Round talks so that it can familiarize itself with GATT procedures.

In addition, Hsu told Sutherland that the ROC wishes to become a member of the multifiber agreement so ROC

textiles will not be met with discriminatory treatment when they are exported to countries in the European Community.

Hsu arrived in Geneva Friday [25 June] to take part in the third meeting of the GATT working party which is reviewing the ROC bid to enter GATT.

Seven countries will conduct unofficial talks with the ROC delegation between June 28 and July 2.

#### Squadron of Domestically Made Fighters Planned

OW2806145593 Taipei CNA in English 1408 GMT 28 Jun 93

[Text] Taipei, June 29 (CNA)—The first squadron of the first locally developed defense fighters is scheduled to be commissioned at the end of 1994, the Ministry of National Defense said Monday [28 June].

Starting in January 1994, the ministry said, the Aero Industry Development Center (AIDC) of the Chung-shan Institute of Science and Technology will deliver two IDFs (Indigenous Defense Fighters) to the Air Force each month.

According to the schedule, the Air Force will receive 20 IDFs, also known as "Ching Kuo" in memory of the late President Chiang Ching-kuo, by next October and complete deployment of the first IDF squadron.

The squadron will begin operations by the end of next year, the ministry said in a report delivered to a closed-door meeting of the Legislative Yuan’s Defense Committee.

The AIDC has delivered seven pre-production IDFs to the air force for a wide variety of airborn tests, the report said.

The IDF has undergone 1,400 tests since the first prototype got off ground in December 1988, according to the report.

Launched in February 1983, the plan originally set to produce 250 units by 1999. The ministry later decided to trim the projected production down to 130 after the nation struck deals last year to purchase 150 F-16s from the United States and 60 Mirage 2000-5s from France.

The report also noted that the first wing of IDFs is scheduled to be commissioned in mid-1996 and the second wing in late 1998.

## Hong Kong

### Patten Avoids Setting Deadline in PRC Talks

HK2906122693 Hong Kong AFP in English 1216 GMT  
29 June 93

[Text] Hong Kong, June 29 (AFP)—Governor Chris Patten, speaking before a ministerial summit in London on Hong Kong issues, left open Tuesday [29 June] the prospect of a deadline for slow-going Sino-British talks on political reforms.

"We're very patient, and I'm sure the cabinet will think that we're right to be so," Patten told reporters a few hours before his flight to London and Thursday's meeting at 10 Downing Street.

"I think people in Hong Kong want every effort to be made to secure a satisfactory outcome to the talks," he added.

But he left open the possibility that Britain could still give China a deadline to come to an agreement on enlarging the voting franchise for 1994 and 1995 elections.

"I don't like deadlines as a political strategy, but there comes a moment when a deadline keels over...tick tock goes the clock," he said on the steps of his official residence.

The secretive talks began in mid-April, following six months of Chinese attacks on Patten's reforms proposals, but have made no apparent progress. Round seven is set to take place in Beijing next Monday and Tuesday.

Thursday's meeting—taking place exactly four years before Hong Kong's return to China—will be chaired by Prime Minister John Major, and include Foreign Secretary Douglas Hurd and other members of a special cabinet committee on Hong Kong.

London's ambassador to Beijing, Sir Robin McLaren, who heads the British team at the negotiations, and Hong Kong Secretary for Constitutional Affairs Michael Sze will also be present.

Political analysts expect the summit to call for talks to continue at least until September—a decision that would frustrate legislators who wanted to debate electoral arrangements before their summer recess begins on July 21.

The Legislative Council must approve any deal that comes out of the bilateral talks.

### Daily Says Patten 'Has No Spirit of Legality'

HK2906090293 Hong Kong WEN WEI PO in Chinese  
26 Jun 93 p 11

[Special article by Da Ke (1129 0668): "Refuting Chris Patten's 'Definition of Convergence'"]

[Text] In a special interview with HSIN PAO on 21 June, Hong Kong Governor Chris Patten reinterpreted the "definition of convergence." He said that convergence should include that "before 1997, there should be some concern for and participation in post-1997 development." When one merely looks at the specific contents of Patten's "concern and participation," and then compares them with the Basic Law, one can easily find what Patten's "definition of convergence" really is.

So what does Patten mean when he mentioned "concern and participation," namely, his so-called "convergence?" According to his remark, he means that the "Hong Kong Government should have some influence on the Preliminary Committee of the Hong Kong Special Administrative Region [SAR] to be set up in 1996 as provided for in the Basic Law," and should discuss with the Chinese side "personnel appointments" for the future SAR including the arrangement for the SAR chief executive. He asks that the election committee for the chief executive in 1997 be set up like the election committee for the 1995 Legislative Council, and asks both China and the UK to promise universal elections in Hong Kong in the year 2007.

All these particulars of "convergence" run counter to the Basic Law. Annexes One and Two to the Basic Law clearly state that the first chief executive and the first Legislative Council of the Hong Kong SAR shall be selected and formed in accordance with the "Decision of the NPC on the Method for the Formation of the First Government and the First Legislative Council of the Hong Kong SAR." The Decision points out: In 1996 the NPC will set up the Preliminary Committee of the Hong Kong SAR, which will consist of mainland members, and 50 percent or more will be Hong Kong members. Its functions are to prepare matters related to the establishment of the Hong Kong SAR, such as preparing for the formation of the Election Committee responsible for electing the first SAR chief executive and confirming which members of the last Legislative Council can become members of the first Legislative Council of the SAR. Now that this very clearly provides for the nature of the Preparatory Committee of the Hong Kong SAR and the method for the selection of the first SAR Executive Chief, is there need for the British side to "discuss" the matter? What right will the British side have to "exert influence" on the Preparatory Committee which is set up by the Chinese NPC and which is composed of Hong Kong and mainland members? The above document also provides for the specific numbers and proportions of members of the "election committee." But Patten asks that the committee be formed in accordance with the method for the formation of the election committee for the 1995 Legislative Council. Is he not exceeding his functions and brazenly interfering in China's internal affairs? The fact that Patten asks China and the UK to make a promise on the electoral method for the 2007 SAR Legislative Council is very inappropriate. Annex Two to the Basic Law provides that if there is a need to amend the method for the

formation of the Legislative Council of the Hong Kong SAR, such amendments must be made with the endorsement of a two-thirds majority of all the members of the Legislative Council and the consent of the chief executive, and should be reported to the NPC Standing Committee for the record. Is it that Patten wants to "participate" in the operations of the 2007 Legislative Council now?

Obviously, if "convergence" takes place in accordance with Patten's idea, we can do nothing more than amend the Basic Law so that it converges with Patten's proposals. This is perhaps precisely what he has in mind. But Article 159 of the Basic Law provides that the power to propose bills for amendments to the Basic Law shall be vested in the NPC Standing Committee, the State Council, and the Hong Kong SAR. Amendment bills from the Hong Kong SAR shall be submitted to the NPC by the delegation of the region to the NPC after obtaining the consent of two-thirds of the deputies of the region to the NPC, two-thirds of all the members of the Legislative Council of the region, and the chief executive of the region. Before a bill for amendment to the Basic Law is put on the agenda of the National People's Congress [NPC], the Basic Law Committee of the Hong Kong SAR shall study it and submit its views. Is it not absurd that Patten gives directions about this and that and makes various unreasonable demands at a time when the Basic Law has not yet taken effect and when the SAR Government, Legislative Council, and the Basic Law Committee (which has 12 members with six mainland and six Hong Kong persons appointed by the NPC) have not been set up?

People only have this impression: Patten both ignores China's sovereignty and has no spirit of legality at all. If "convergence" takes place according to his will, it will only cause the train of "convergence" to derail and harm smooth transition. And this is never what vast numbers of Hong Kong compatriots can accept. Patten's "definition of convergence" may now step aside [ke yi xiu yi 0668 0110 0128 4248].

### Lu Ping Receives Meeting Point Delegation

#### China 'Ready' for 'Concessions'

HK2806063893 Hong Kong SOUTH CHINA MORNING POST in English 28 Jun 93 p 2

[Report by Doreen Cheung in Beijing and Fan Cheuk-wan]

[Text] China is ready to make concessions in the Sino-British talks on the 1994/95 electoral arrangements, the top Chinese official in charge of Hong Kong affairs, Mr Lu Ping, told a Meeting Point delegation in Beijing.

But Mr Lu, the director of the State Council's Hong Kong and Macao Affairs Office, reiterated China's firm stance on the "through train", functional constituency elections and the Election Committee.

According to delegation member Fred Li Wah-ming, Mr Lu said he was ready to concede some points in the Sino-British talks and was optimistic about the outcome. But Mr Lu would not elaborate on what the concessions were.

A British source also hinted that progress achieved in the sixth round of talks, which ended on Friday [25 June], was made possible by concessions from both sides.

Mr Lu told Meeting Point that China could not guarantee all legislators elected in 1995 would sit in the post-1997 legislature.

On the formation of the Election Committee, he repeated Beijing's opposition to Governor Chris Patten's proposals.

"The Election Committee should comprise four sectors of people instead of elected district board members alone. But it must be elected and not be appointed," he told the delegation.

Meeting Point chairman Anthony Cheung Bing-leung said Mr Lu found his party's call for a broadened franchise for functional constituency polls unacceptable.

Meeting Point suggested a single-seat-single-vote system and that the same electoral college elect the 1995 legislators and the first chief executive in 1997.

Meeting Point was told by Mr Lu that China did not want to appoint directly elected legislators to sit on the working body to establish the Special Administrative Region (SAR) Preparatory Committee because Legco [Legislative Council] was under British colonial rule, Mr Cheung said.

"Mr Lu said China did not recognise their status."

When asked why three members of the working body were legislators, Mr Lu said they were appointed in their other capacities.

Meanwhile, a mainland member of the working body, Professor Wu Jianfan, said yesterday it would study arrangements for the stationing of mainland troops in Hong Kong after 1997 and the setting up of the Court of Final Appeal.

Professor Wu, also a Basic Law drafter, said the body would scrutinise existing Hong Kong laws to determine whether they were in line with the Basic Law.

#### SAR Membership May Expand

HK2906061393 Hong Kong SOUTH CHINA MORNING POST in English 29 Jun 93 p 6

[By Tracy Chan]

[Text] Membership of the working committee preparing for the territory's Special Administrative Region (SAR) government could be expanded, according to a top Chinese official. Meeting Point members, speaking on

their return from Beijing yesterday, said Lu Ping—the Director of the Chinese State Council's Hong Kong and Macao Affairs Office—had confirmed that the 57-member body could be expanded if needed.

Meeting Point chairman Anthony Cheung Bing-leung said their meetings with Chinese officials had focused on preparations for 1997. Noting that Beijing had failed to acknowledge the representativeness of the Legislative Council, they had urged China to heed the views of legislators and called for the public to be given more access to Hong Kong advisers, deputies to the Chinese People's Political Consultative Conference and to the National People's Congress.

"Democratisation is a need for Hong Kong people and we hope the Chinese Government will adopt an open and positive attitude to Hong Kong's political development," Mr Cheung said. But Mr Lu had told them democratisation should not be too fast.

#### Anthony Galsworthy Interviewed on JLG Talks

HK2806123093 Hong Kong Asia Television Limited in English 1130 GMT 27 Jun 93

[Interview with Anthony Galsworthy, British Joint Liaison Group team leader, by Sally Blyth and T.L. Tsim in Hong Kong; from the "Newslines" program; date not given—recorded]

[Text] [Sally Blyth] Welcome to this special edition of Newslines. We begin this evening in the offices belonging to the British negotiating team of the Joint Liaison Group [JLG] for an interview with British Team Leader Tony Galsworthy. Mr. Galsworthy did nothing to hide his frustration this week after three days of fruitless JLG talks. We will be talking to him about where the Sino-British negotiations go from here. Good evening, Mr. Galsworthy.

[Tony Galsworthy] Good evening.

[Blyth] It was hoped that there would be more progress in these JLG talks than you expected, than in fact materialized. Would you say now that the idea that China has separated economic issues from political issues is now dead.

[Galsworthy] Oh no, I wouldn't say that at all. I think there's been a good deal of progress in recent weeks. You've seen Chinese agreement to a number of franchises. You've seen some progress in the Airport Committee. I think I'd rather draw the conclusion that like, perhaps the economic recovery, it is patchy and it hasn't yet reached all areas of our activity. I'm pretty hopeful that it will.

[Blyth] But some would say that the agreements which China has agreed to already are those which are in its own interests. And also that those have been used to put

pressure on Britain in the political talks. In other words, the two issues have not been separated, the economic and political issues.

[Galsworthy] Well, I think that virtually all the things we are discussing are in China's interests, as well as everybody else's. After all, Hong Kong is going to be part of China after 1997, and if Hong Kong suffers, then so will China. It is true that they have a particular interest in some of the subjects which have been agreed. But I don't think that's the most significant thing, [words indistinct] though they are very important. They were agreed. I take that being a general indication of the direction we are going in. My frustration is that it appears not to have reached all areas of our work yet.

[T.L. Tsim] These issues on which you have secured agreement may be considered as peripheral to China, and you would have noticed that on the core issues, on the really vital, important issues, China is standing very firm. Now one gets the impression from just reading reports of the negotiations that very often it's a question of Britain proposes and China disposes. Are we going to have any variation from that theme at all.

[Galsworthy] It always seems we are discussing primarily because we need agreement between both parties, if they are to be able to go ahead. It is certainly the case that if China wishes to hold them up, China can. I think there is nothing strange in that; that's what you expect.

[Tsim] But that amounts to a virtual vetoing power, doesn't it?

[Galsworthy] In practical terms, China can stop the progress of some of these things if it wishes to. You can call that a vetoing power if you like, but it is something that arises from practical reality.

[Tsim] As we get closer and closer to 1997, one could argue that the British side has got a stronger and stronger hand in that after 1997 and to the year 2,000, the JLG will still be sitting. But your responsibilities for Hong Kong would have ended on the 30th of June. Now is that not taken into account by the Chinese side, that is to say, if they stonewall you now, you could do likewise after 1997.

[Galsworthy] Again, it's a matter of practical reality. I don't think the position really is quite the same in the mirror. I'm not sure that Britain would be able to put a stop to certain activities of the Hong Kong Government or to make them ineffective even if it wished to, and it is pretty unlikely it would wish to. So I'm not sure if it works in quite that way. But what I do think is that the closer we get to 1997, the more the Chinese are aware that if they inflict economic damage on Hong Kong, it will come home to roost after Hong Kong has become part of China.

[Blyth] So why are they not now agreeing to some of the important economic issues like CT 9 [Container Terminal Nine] which you were expecting in this last JLG meeting.

[Galsworthy] Well, that's a question you might well put to my opposite number. I think that they should agree to that. I think it is very important for Hong Kong that CT 9 should go ahead. We don't want the container capacity to run out while there is still room for expansion as indeed we are quite sure there will be. So we hope very much they will agree to allowing CT 9 to go ahead.

[Blyth] But China has made it clear that it has been riled by three important moves. First of all, the introduction of the electoral legislation and the passage of the electoral legislation in the Legislative Council. Secondly, the Legislative Council is now going to be talking about Mr. Patten's political proposals, so why is it that then the Hong Kong Government has gone ahead with this, knowing that it is going to upset China and probably stymie your own talks in the JLG.

[Galsworthy] Well, that's precisely the sort of linkage which ought not to exist. Our view is that there is an absolute responsibility on both parties to the Joint Declaration to carry out the obligations laid down in that document. And that's quite irrespective of any differences of views there may be on outside issues. We don't think that there should be any linkage between these things and we hope that the Chinese will not make one.

[Blyth] Are you accusing the Chinese of breaching the Joint Declaration by the present action in the Joint Liaison Group.

[Galsworthy] Not precisely that. But we do think it's very important that both sides should get on with fulfilling their obligations under the Joint Declaration and should not be distracted by differences that are bound to occur in other areas.

[Tsim] The Chinese side is bound to say that they are not linking the two, economic issues and political issues, and they have said that this time around, they are not giving you the approval you are seeking because they have not received enough information on a host of things. Now is that a credible excuse, do you think?

[Galsworthy] That's what in my schoolboy days would have been called a whopper. We have given them a great deal of information. There are a great many subjects under discussion on which they haven't asked for any further information, which they say they are still studying. There are other areas where after months of allegedly studying, they then, suddenly—at the meeting, when it had been expected we might resolve these things—asked a series of further questions.

[Tsim] What puzzles me, of course, is that they have gone into the meeting. They have gone into the meeting and they have all the time in the world to study those papers and when they walked out of the meeting, they

say they haven't received enough information. Surely there must be a degree of truth in that, I mean, they couldn't have gone into the meeting with bad faith.

[Galsworthy] I think the point is that if they need information, feel they need information, the time to clear up those problems is before a meeting takes place so that when the meeting happens we can reach agreement.

[Blyth] Mr. Galsworthy: It's been said and it is known that a large number of documents have been passed to the Chinese side, over a hundred. What is going to happen if, as you've said in your news conference after the JLG meeting, that it's going to take a hundred years to get some of these treaties through. Obviously it might not take a hundred years, but supposing by 1997 all these treaties and agreements have built up and yet there is no passage, what effect is that going to have on Hong Kong?

[Galsworthy] There is a bit of confusion there. The treaties are only one of the areas we are discussing. And there are about a hundred out of 200 which we identified and which are still outstanding. But that is only one area of our work. The general effect on Hong Kong, I think, cumulatively, if all of these things are left unfinished by 1997, would be pretty serious. In many cases...

[Blyth, interrupting] What do you mean by that?

[Galsworthy] I mean that these are the international framework which underpins Hong Kong's prosperity. A great many of them are directly related to economic and commercial areas. If they don't continue enforced after 1997, Hong Kong traders and manufacturers will certainly find that they are subject to all sorts of restrictions internationally which these treaties are designed to get out of the way, so we think it is very important that we should get this work completed.

[Tsim] Let us move along and take a look at the future. You've concluded the meetings and you don't have a date as to when the JLG will meet again. So, where do you go from here. Are you still meeting them in private?

[Galsworthy] Yes, we meet them regularly, we meet them certainly every week, sometimes even more frequently. The Chinese have said to us that they are expecting to have two further primary meetings this year of the Joint Liaison Group, and that is indeed what the Joint Declaration requires. What they say is that at the moment they are not able to fix a date, we'll have to go on discussing that with them. We, for our part, would like to get it clear as soon as possible.

[Blyth] What effect do you think it's going to have, the governor's forthcoming trip to London and this so-called summit meeting in which the future is going to be decided on the political talks? What overall effect, do you think, that's had on your past talks this week?

[Galsworthy] I don't know. I said that, I said when I spoke on Wednesday to the press that I couldn't be sure exactly what the motives of the Chinese side were in hindering progress at this week's meeting. I speculated

that they might possibly feel that by doing that, they could be putting pressure on us in the wider context. I can't be sure that's what they are seeking, but that's rather what it looks like. And I thought that at his own press conference, Mr. Guo sounded as though he was implicitly confirming that. Now that's exactly the sort of linkage which we think makes no sense, and which I hope they will abandon.

[Blyth] But it is obvious that China is doing it, so if a decision is taken in London this coming week that a time limit is going to be put on the political discussions, how do you think that's going to leave Sino-British relations?

[Galsworthy] Well, that is pretty hypothetical and I think we should wait and see what happens at this meeting in London.

[Blyth] Do you think that, obviously, it is going to set your own work, the work of the JLG, back even further.

[Galsworthy] That's still hypothetical and I still think we should wait and see what happens in London...

[Tsim, interrupting] The JLG is supposed to be there for coordination and liaison. This is the bulk of your work. I am sure this is the bulk of Ambassador Guo's work. And if you can't even decide, agree on a date for the next meeting, that spells trouble doesn't it?

[Galsworthy] I think the failure to agree on a date is the least of our difficulties, and I think we will settle a date in due course. It's a little bit frustrating that we can't do this work, but I am not...I don't worry unduly about that point.

[Tsim] But it's indicative of China's displeasure at the way things are going, isn't it?

[Galsworthy] Maybe, that may be the reason. I hope we can agree on a date very soon. There is no purpose served by constantly putting off coming to these arrangements. We all know they've got to be made at some point.

[Blyth] The acrimonious remarks which you made at the end of this JLG, even if the next JLG session is in September, will those words be your swan song? What's your own future?

[Galsworthy] Well, I think I said on Wednesday that when the Foreign Office, in its wisdom, decides that I should be posted, I'm sure they will announce that. Until they do, there's not much that I can say about this subject.

[Blyth] What would you feel though, if this is your last JLG meeting and it has ended with as little progress as has just been made?

[Galsworthy] I shouldn't feel too happy, but then I hope that it won't be my last JLG meeting.

[Blyth] Tony Galsworthy is the leader of the British negotiating team in the Joint Liaison Group. Thank you very much.

#### Daily Calls TV Program 'Political Tool'

HK2806151093 Hong Kong WEN WEI PO in Chinese  
25 Jun 93 p 22

[Article by Wen Man-lin (2429 3341 2651): "RTHK Should Not Serve As a Political Tool for Attacking China"]

[Text] I saw an RTHK program called "Today in Legco [Legislative Council]" at 1900 on 17 June, broadcast by TVB's Jade channel, and I have doubts about the viewpoint and position of the program anchor. Should not the government-run media be impartial and unbiased?

At the beginning of the program, the anchor said: Because some members of the United Democrats burned the Basic Law and took to the streets to shout slogans of "down with" somebody, the Chinese authorities dislike them and do not want them to take the through train. Isn't this a bit narrow-minded? What does it accomplish? What impact may this produce? He then added: Burning copies of the Basic Law and taking to the streets to shout slogans of down with certain Chinese leaders did not mean anything significant, because the PRC will not collapse because of such things....

#### United Democrats Always Engage in Subversive Activities

Sober-headed people easily understood what the anchor meant by saying all this and what his intention was. To put it more accurately, the government-run television program was used to defend what was done by the United Democrats and to attack the Chinese position of checking the train tickets. The government-run television station [as published] is supported by the taxes paid by all residents. So we have the right to ask it: Is it still a government-run media institution? Or is it a political tool used to attack the Chinese side?

Recently there were many comments on the behavior of the United Democrats and the Chinese side's position on checking the through train tickets. Was it true that the Chinese side did not allow the United Democrats to take the through train merely because they burned copies of the Basic Law and took to the streets to shout slogans? The essence of the issue is not so simple.

The behavior of the United Democrats in recent years is known to Hong Kong people. After 1989, they always engaged themselves in opposing a legal government. Before 1989, they sent people into China to carry out antigovernment seditious activities. They delivered money, tents, copiers, and faxes to antigovernment elements inside China. After 1989, they tried by every possible means to use the speedboats and military range-finders to smuggle "human snakes" out of the country. All this was clearly written in the 13th chapter of the book *The Last Days in CIA*, published in the United States. They cannot deny this. If the anchor of the RTHK program did not read this, he should find the

book to read. He will then understand that what the United Democrats did was not as simple as burning copies of the Basic Law.

#### **Having No Qualm of Jeopardizing Hong Kong People's Interests**

In fact, what the United Democrats did was not limited to this. In addition to opposing everything China supports and advocates on local issues, they also have no qualm of jeopardizing Hong Kong people's interest for the sake of their selfish interests. We still clearly remember their position on the issue of the Vietnamese boat people. If Martin Lee and his like did not put on the "human rights" and "humanitarian" show in the Legislative Council by following their U.S. master's idea, Hong Kong would not have become the first sheltering port that was forced to keep more than 70,000 Vietnamese boat people and thus lose several billions of dollars of wealth. Martin Lee and the United Democrats should be blamed for this loss. The RTHK television program anchor should be aware of this fact, but why did he still defend them?

Martin Lee once said that Hong Kong should not leave a single penny to the future Special Administrative Region. They not only said this, but also took action. At Legco meetings, they adhered to this principle on the issue of the new airport's financial arrangements, including the debt arrangements. Their aim was to use up all the money Hong Kong had.

As for the issue of checking the through train ticket, this is a right exercised by China. Not only China, but all Hong Kong residents, including you and me, must also seriously consider whether such people as the United Democrats, who opposed everything China supports and advocates and who deliberately jeopardize Hong Kong's interests, should be allowed to take the through train across 1997. When the anchor of the government-run television station [as published] uttered such remarks without regard to facts, he should be questioned and censured by the residents. We find it necessary to point out that such programs and remarks that unwittingly or unwittingly turn the media into a political tool for a certain political party or faction must be checked. The authorities should restrain their behavior. RTHK, being a government-run radio and television service, is supported by all residents of Hong Kong. It cannot be used as a political tool for attacking the legal government of China, and cannot be used as a propaganda means of the United Democrats.

#### **Australian 'Media Mogul' Bids for TV Company**

HK2906120693 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0930 GMT 24 Jun 93

[Text] Hong Kong, 24 Jun (ZHONGGUO TONGXUN SHE)—The Broadcasting Authority is studying a take-over bid by the Australian media mogul, Rupert Murdoch, in which he proposes to purchase 22 percent

ownership rights of the Television Broadcasting Company Limited [TVB], to determine whether or not to approve it. Kan Ho Hau Fan, Recreation and Culture Branch deputy secretary, told the press that the Hong Kong Government's policy in this area does not favor cross-media ownership and is now moving to enact a law to restrict newspaper bosses' bids to take over radio or television stations. A number of experts believe that the Hong Kong Government should handle the buy-in with caution, in view of the spirit of existing laws restricting foreign media groups to a 15 percent ownership of any television station. They also worry about the potential danger of a monopoly of opinion once Murdoch is allowed to buy more shares than is permitted and become TVB's major shareholder.

Though they do not allow an overlap of the ownership rights of radio and television stations in order to avoid monopoly, existing laws do not bar newspaper owners from making take-over bids for radio or television stations. Such a thing, however, has never happened before in Hong Kong. After the international media mogul's acquisition of the SOUTH CHINA MORNING POST and HUA CHIAO JIH PAO [OVERSEAS CHINESE DAILY], Murdoch's proposal to purchase 22 percent of TVB shares has triggered problems about cross-media ownership. Besides, since the Murdoch Group is not based in Hong Kong and owns broadcasting companies in other countries, it must seek special approval separately from the Broadcasting Authority and Executive Council for any of its take-over bids.

Quite a number of scholars think that the Murdoch Group's bid for control of TVB, which dominates most of the electronic media market, may well create the danger of monopoly given the fact that he already owns two Hong Kong newspapers. Tu Yiu-ming, lecturer in the School of Communications of Hong Kong Baptist University, worries about the bad influence this might have on the effort to create a pluralistic market of opinion and doubts if a foreign concern would play the role of a media organization serving and making contributions to Hong Kong.

The convention among countries is stricter government control on electronic media as they have greater influence than newspapers and magazines. In general, foreigners are not allowed to own a controlling share of an electronic medium. Because foreigners may not be entirely subject to Hong Kong law they may ignore the interest of Hong Kong people when conflicts of interest occur between Hong Kong and foreign countries.

Therefore, some scholars have pointed out: If it is really the intention of the Hong Kong Government to introduce foreign media power into Hong Kong to internationalize its media industry, then the Hong Kong Government needs to carefully study the impact of such a move on public interest and see if it goes against the

spirit of existing laws. As it is the Hong Kong Government's consistent policy to limit cross-media ownership, the government should think twice before coming to a decision.

### Government Plans on TV Bid

*HK2906080093 Hong Kong SOUTH CHINA MORNING POST in English 29 Jun 93 pp 1, 4*

[By Connie Law and Fan Cheuk-wan]

[Text] The Government is planning to disqualify newspaper proprietors from owning more than 15 percent of local television broadcasters, a senior official told legislators yesterday.

Principal Assistant Secretary for Recreation and Culture Peter Harrison told members of the Legislative Council Recreation and Culture Panel the administration intended to add newspaper owners, both local and overseas, to the list of "disqualified persons" under the Television Ordinance.

He said he hoped the new provision would be tabled in Legco [Legislative Council] in the coming legislative year.

Under existing rules, those disqualified cannot hold or buy more than 15 percent shares of local commercial broadcasters, unless the Governor-in-Council is satisfied an exemption is in the public interest.

The disqualified include advertising agents, companies which supply material for broadcasting and those who transmit sound or television material within and outside Hong Kong.

The issue arose yesterday when the panel discussed News Corporation's plan to buy 22 percent of Television Broadcasts Limited (TVB). The bid, if successful, would put News Corp on a par with TVB's two other major shareholders, the Shaw Brothers and the Kerry Group.

News Corp has interests in a number of companies—including Fox and British Sky Broadcasting (BSkyB). It owns half of the SOUTH CHINA MORNING POST and WAH KIU YAT PO.

Mr Harrison said News Corp was deemed as a disqualified "person" under the laws, not because of its stakes in the newspapers but because of its interests in Fox and BSkyB.

Apart from its broadcasting ownership, the company's non-Hong Kong resident status also means it is "unqualified" to own more than 10 percent of TVB, save with the approval of the Broadcasting Authority.

The Executive Council is expected to examine News Corp's bid today.

China yesterday expressed concern at the plan.

Mr Ulanmulun, a vice-director of the local branch of the New China News Agency, said: "There are a lot of dissenting views against this plan, the Hong Kong Government must act strictly according to the existing law in dealing with the issue."

Mr Xu Ze, a deputy head of the second department, said the Government should be cautious over the issue as the plan was in breach of existing legislation.

"This takeover proposal will have an impact on the Hong Kong Government's existing policy of not allowing foreign broadcasters to own a controlling stake in a local television company," Mr Xu said.

"This will have an impact beyond 1997—the Hong Kong Government should know very clearly how it should handle this question," he said.

Legislators yesterday asked the administration to provide them with more information on the bid and allow them a more thorough discussion before putting the case to Exco.

Panel members decided to invite concerned parties, including News Corp, to present their cases.

United Democrat legislator Man Sai-cheong questioned the desirability of allowing a newspaper owner to also acquire a major stake in a television broadcaster.

Independent Mr Chim Pui-chung said the bid was against the rules of the game. But Mrs Selina Chow Liang Shuk-yeo, noting she neither supported nor objected to the deal, said the acquisition was not wholly negative. News Corp would have something to offer to the local industry.

If the deal is not approved, TVB assistant general manager Alfred Ng Siu-cheung promised it would still be business as usual for the station. Mr Ng said: "We had our plans set up before (the bid). With News Corp's participation, I am sure it will make our lives a little bit easier in that we will benefit from their expertise in broadcasting."

Mr Ng criticized as "totally unfair" suggestions that Hong Kong would not get any direct benefit from the deal.

He said the link-up could lead to new programmes, better transmission quality, and new programming formats and ideas for the territory.

The \$1.85 billion involved in the deal would go to the current shareholders rather than the company, so if the bid by Rupert Murdoch's corporation failed, a decision on whether a new partner was needed would come from Shaw Brothers, chaired by Sir Run Run Shaw, and the Kerry Group, which is chaired by hotel magnate Robert Kuok.

"With a company like TVB which is a very strong, well-managed business with good potential, I'm sure a

lot of investors must be interested," Mr Ng said. "But an investor like News Corp would give us additional advantages."

Communications specialist Dr John Ure, of Hong Kong University's Centre of Asian Studies, thinks the deal will be approved.

"There is always cause for concern but I don't think they will be such major issues to stop a deal like this going through," he said. "In addition, there are ways in which local legislation could be used to curb any potential problems.

"In the worst case scenario that News Corp is only interested in satellite TV, it leaves the local situation no worse off than before, and it reinforces Hong Kong as a media hub of Asia."

**Liberal Party Names Chairman, Vice Chairman**

HK2906064693 Hong Kong *SOUTH CHINA MORNING POST* in English 29 Jun 93 p 3

[From the "In Brief" column]

[Text] Legislators Allen Lee Peng-fei and Ronald Arculli have been named chairman and vice-chairman of the fledgeling Liberal Party. Nominations for the posts ended yesterday with Mr Lee and Mr Arculli the only names put forward.

**PRC First Offers B Shares in Territory**  
OW2906155093 Beijing *XINHUA* in English 1355  
GMT 29 Jun 93

[Text] Hong Kong, June 29 (XINHUA)—China's first free trade zone at Outer Gaoqiao in Pudong, Shanghai, became the first Chinese state-owned enterprise to make a public offering of B shares here today.

At a press conference held here today, the Shanghai Outer Gaoqiao Free Trade Development Co. Ltd. announced a new issue of 42.5 million B shares of one yuan rmb [renminbi] each at a price of 2.95 H.K. dollars [Hong Kong dollars] per share.

The company will also issue another 42.5 million shares at a price of 0.38 U.S. dollars per share through private placements.

Immediately following the B share offer, the company will have a total of 365 million shares of rmb 1 each in issue, divided into 280 million a shares and 85 million B shares. The B shares are expected to be listed on the Shanghai Securities Exchange on July 26 this year.

Of the 30.4 million U.S. dollars net proceeds raised from the new issue and placing of B shares, 15 million U.S. dollars will be used to meet funding requirements in connection with the development of the first phase of the free trade zone, said the company's Deputy General Manager Li Shuming.

Under the approval of the State Council, the free trade zone was established in 1990 as the first of its kind in China. Construction of the 10-kilometer zone will be divided into four phases. So far, the first phase has been completed and the second phase is well under way. Investors in this zone will receive preferential treatment on import licence and duties, taxation and ability to carry on entrepot trade.

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**DATE FILMED**

30 JUNE 1993

